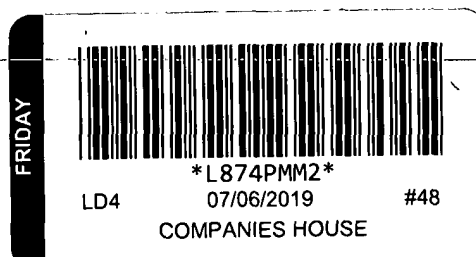


MARSHAM COURT MANAGEMENT COMPANY LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2018

Company Registration Number 01602191



MARSHAM COURT MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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MARSHAM COURT MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Sir Andrew C Smith (Chairman)
Miss Esther R A M van de Geijn
Mr Frederick R Mingay CMG
Ms Helen R Donoghue
Mr Callum Macpherson
Ms Jane E Gordon-Cumming
Ms Marie E Winckler
Sir Bernard W Silverman
Mr Jonathon T McCloy
Mr Thomas A C Ormond (Appointed on 10 April 2018)

Company secretary

Ms Jane E Gordon-Cumming

Registered office

15 Whitehall
London
SW1A 2DD

Auditors

F. W. Smith, Riches & Co.
Chartered Accountants
& Statutory Auditors
15 Whitehall
London
SW1A 2DD

MARSHAM COURT MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The company was formed for the purpose of acquiring and managing the freehold interest in Marsham Court, Marsham Street, London SW1. In 1985 the company acquired the freehold interest in Marsham Court from the City of Westminster Assurance Company Limited. The financial statements disclose the income and expenditure incurred in managing the freehold property, which constituted the company's main activity for the year. The company is a non-profit making body; accordingly it does not vote dividends.

DIRECTORS

The directors who served the company during the year were as follows:

Sir Andrew C Smith (Chairman)
 Ms Helen R Donoghue
 Miss Esther R A M van de Geijn
 Mr Frederick R Mingay CMG
 Callum Macpherson
 Mr Henry M A Brookman (Resigned on 12 February 2018)
 Ms Jane E Gordon-Cumming
 Ms Marie E Winckler
 Mr Jonathan T McCloy
 Sir Bernard W Silverman
 Mr Thomas A C Ormond (Appointed on 10 April 2018)

The company has purchased insurance to cover the directors and officers of the company against liabilities arising against them in that capacity.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 surplus or deficit 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 accounting estimates that are reasonable and prudent;
- 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 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.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' RESPONSIBILITIES (continued)

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They 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 company's auditors are aware of that information.

AUDITORS

In accordance with section 487(2) of the Companies Act 2006, Messrs. F. W. Smith, Riches & Co. will be deemed to have been reappointed as auditors for the forthcoming financial year.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption under Part 15 of the Companies Act 2006.

Signed on behalf of the directors



Sir Andrew Smith
Chairman

25th April, 2019.



Callum Macpherson
Finance committee

Company Registration Number: 01602191

MARSHAM COURT MANAGEMENT COMPANY LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Opinion

We have audited the financial statements of Marsham Court Management Company Limited (the 'company') for the year ended 31 December 2018 which comprise Income and Expenditure Account, Balance Sheet and 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 December 2018 and of its result for the period then ended; and
- 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

MARSHAM COURT MANAGEMENT COMPANY LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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. 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 2 to 3 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.

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.

MARSHAM COURT MANAGEMENT COMPANY LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.



Martin J Rooney (Senior Statutory Auditor)

For and on behalf of **F. W. Smith, Riches & Co.**
Chartered Accountants & Statutory Auditors
London

25th April, 2019.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Note	£	£
TURNOVER	5	1,712,302	818,723
Cost of sales		1,046,166	626,422
OPERATING SURPLUS	6	666,136	192,301
Interest receivable		2,340	659
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		668,476	192,960
Tax on non-exempt activities	7	470	3,701
SURPLUS FOR THE FINANCIAL YEAR		668,006	189,259
Transfer to sinking fund reserve	14	(683,490)	(189,627)
Transfer from extraordinary fund reserve	14	15,484	368
Balance carried forward		—	—

MARSHAM COURT MANAGEMENT COMPANY LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2018**

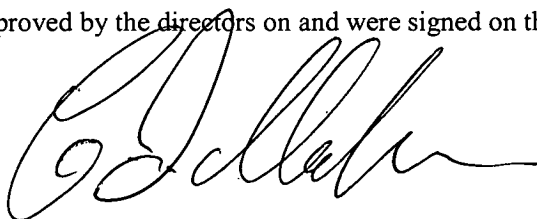
	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	159,709	175,194
Investments	9	1	1
		<u>159,710</u>	<u>175,195</u>
CURRENT ASSETS			
Debtors	10	127,096	15,095
Cash at bank and in hand	11	1,231,334	479,856
		<u>1,358,430</u>	<u>494,951</u>
CREDITORS: Amounts falling due within one year	12	<u>367,198</u>	<u>187,210</u>
NET CURRENT ASSETS		<u>991,232</u>	<u>307,741</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,150,942</u>	<u>482,936</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	149	149
Sinking fund reserve	14	963,703	280,213
Extraordinary reserve	14	187,090	202,574
Income and expenditure reserve	14	-	-
SHAREHOLDERS' FUNDS		<u>1,150,942</u>	<u>482,936</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and with United Kingdom Accounting Standards, including Section 1A "Small Entities" of Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102").

The financial statements on pages 7 to 17 were approved by the directors on and were signed on their behalf by:



Sir Andrew Smith
Chairman



Callum Macpherson
Finance committee

25th April, 2019.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

1.1 Statement of compliance

The principal activity of the company is the management of Marsham Court, a building containing mainly residential flats. As such the company expends monies received from residential service charges. Under Section 42 of the Landlord and Tenant Act 1987 unexpended service charge monies are required to be held on trust by the company. These financial statements include the service charges receivable, the expenditure incurred and the assets and liabilities of the trust. The assets and liabilities of the trust are set out in note 14 to the financial statements.

Marsham Court Management Company Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of the registered office is 15 Whitehall, London, SW1A 2DD.

Under section 454 of the Companies Act 2006 the directors can amend these financial statements on a voluntary basis if they subsequently prove to be defective.

1.2 Basis of accounting

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Section 1A "Small Entities" of Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present financial information about the Company as an individual undertaking and not about its group.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

1.3 Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and rebates. The following criteria must also be met before revenue is recognised:

Service charge income

Revenue is recognised on an accruals basis in the year to which it relates. Monies received by the balance sheet date relating to future dates are included within current or long term liabilities, as appropriate, as 'payments on account'.

MARSHAM COURT MANAGEMENT COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (continued)**1.3 Revenue (continued)***Interest income*

Revenue is recognised as interest accrues using the effective interest method.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use and dismantling and restoration costs.

Depreciation is calculated, using the straight-line method, to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

Freehold property improvements – 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably. Repairs and maintenance costs are expensed as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Profit and Loss Account and included in 'other operating income or charges'.

No depreciation is provided on Freehold Property (which comprises the Freehold of Marsham Court together with ownership of the Head Porter's Flat) as in the opinion of the directors any element of depreciation would be immaterial.

1.5 Investments

Investments in the subsidiary company is held at cost less provision for diminution in value.

1.6 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Profit and Loss Account in 'cost of sales'.

MARSHAM COURT MANAGEMENT COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (continued)**1.6 Financial instruments (continued)*****Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and in hand.

1.7 Share capital

Ordinary shares are classified as equity.

1.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss Account. Current or deferred taxation assets and liabilities are not discounted

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

A surplus arising in relation to leaseholders' service charges is exempt from taxation. No such exemption applies to investment and other income and profits generated by the company; tax is provided on these sources of income. Investment income arising on monies held from leaseholders is subject to income tax at the rates applicable to trusts. Investment income arising from monies held by the company in its own rights and other income and profits generated by the company are subject to corporation tax.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and profit on ordinary activities before taxation as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.9 Pension costs

The company contributes to a stakeholder pension scheme for employees. Pension costs are charged to the profit and loss account in the period to which they relate.

1.10 Foreign currency translation

Functional and presentational currency

The company's functional and presentational currency is the pound sterling.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. Whilst management have made judgements, estimates and assumptions in preparing the financial statements, they consider that these have not had a significant effect on amounts recognised.

3. FORMAT OF ACCOUNTS

The format for income and expenditure account set out in the Companies Act 2006 has been amended where in the Board's opinion the formats are not applicable to the company's special circumstances as a residential management company. Accordingly, in compliance with the Companies Act 2006 the Board presents the financial statements in an amended format.

4. AVERAGE NUMBER OF EMPLOYEES

	2018	2017
Full-time staff	9	9
Part-time staff	1	1
	<u>10</u>	<u>10</u>

At year end the split was 9 full-time and 1 part-time staff.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. TURNOVER

Analysis of revenue by category:

	2018	2017
	£	£
Annual service charge	579,978	595,527
Sinking fund service charge	325,009	197,270
Total service charges receivable	904,987	792,797
Special Levy income	800,023	-
Commercial recovery	7,292	6,911
Letting fees	-	15
Lease premium	-	17,000
Filming income	-	2,000
	<u>1,712,302</u>	<u>818,723</u>

6. OPERATING SURPLUS

Operating surplus is stated after charging:

	2018	2017
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts (ex. VAT)	3,321	3,088
Fees payable to the company's auditors for the provision of other services (ex. VAT)	3,850	3,912
	<u>7,171</u>	<u>7,000</u>
VAT	1,434	1,400
	<u>8,605</u>	<u>8,400</u>

7. TAX ON NON-EXEMPT ACTIVITIES

Current tax on non-exempt activities comprised:

	2018	2017
	£	£
UK Corporation Taxation		
UK Corporation tax based on the results for the year at 19% (2017 - 20%)	-	3,604
UK Income Taxation		
Current tax on income for the year	470	97
Total current tax	<u>470</u>	<u>3,701</u>

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Freehold Property Improve- ments £	Total £
COST			
At 1 January 2018	51,082	154,853	205,935
Additions	-	-	-
At 31 December 2018	<u>51,082</u>	<u>154,853</u>	<u>205,935</u>
DEPRECIATION			
At 1 January 2018	-	30,741	30,741
Charge for year	-	15,485	15,485
At 31 December 2018	<u>-</u>	<u>46,226</u>	<u>46,226</u>
NET BOOK VALUE			
At 31 December 2018	<u>51,082</u>	<u>108,627</u>	<u>159,709</u>
At 31 December 2017	<u>51,082</u>	<u>124,112</u>	<u>175,194</u>

Freehold Property comprises the following:

	2018 £	2017 £
Cost of Marsham Court's freehold	1	1
Development of Head Porter's Flat	<u>51,081</u>	<u>51,081</u>
	<u>51,082</u>	<u>51,082</u>

The Freehold interest in Marsham Court, London, SW1 vested in the company on 7 October 1985. The Head Porter's flat was developed in 1996.

Freehold Property Improvements comprise expenditures incurred in improving the quality of the property which in the opinion of the directors and their advisers is not recoverable from the leaseholders.

The reinstatement costs of the building for fire insurance purposes as at 31 December 2018 was £49,243,000 (2017: £49,243,000).

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2018 and 31 December 2018	<u>1</u>
NET BOOK VALUE	
At 31 December 2017 and 31 December 2016	<u>1</u>

10. DEBTORS

	2018 £	2017 £
Trade debtors	47,145	3,349
Other debtors	79,951	11,746
	<u>127,096</u>	<u>15,095</u>

At the year-end, a joint leaseholder, (who are also joint shareholders of the company) are significantly in arrears with their settlement of monies due for Service Charges and contribution to the Sinking Fund. Subsequent to the year end, proceedings have commenced in the County Court for the recovery of these arrears. The Directors are confident that the monies due will be recovered, including interest and costs.

Other debtors includes £2,566 (2017: £2,566) which is recoverable in more than one year.

11. CASH AT BANK AND IN HAND

Cash at bank and in hand includes balances of £996,506 (2017: £244,977) held in client bank accounts which are controlled and managed, on a day to day basis, by the company's managing agent.

12. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	168,299	23,774
Corporation tax	-	3,604
Other taxation and social security	7,844	7,269
Other creditors	191,055	152,563
	<u>367,198</u>	<u>187,210</u>

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2018		2017	
	No	£	No	£
Ordinary shares of £1 each	<u>149</u>	<u>149</u>	<u>149</u>	<u>149</u>

14. RESERVES

	Sinking fund reserve £	Extraordinary fund reserve £	Income and expenditure account £
Balance brought forward	280,213	202,574	-
Surplus for the year	-	-	668,006
Transfer (from)/to other reserves			
- Service charge	325,009	-	(325,009)
- Special levy	800,023	-	(800,023)
- Other income	2,214	-	(2,214)
- Depreciation	-	(15,485)	15,485
- Other expenditure	(441,770)	-	441,770
- Taxation	(446)	1	445
- Transfer of deficit	(1,540)	-	1,540
	683,490	(15,484)	(668,006)
Balance carried forward	<u>963,703</u>	<u>187,090</u>	<u>-</u>

The sinking fund reserve has been established for the purpose of providing for any non-annually recurring future major expenditure.

The extraordinary fund reserve represents the after tax gains derived from disposals of interests in the Company's freehold property. The Company has or will spend the funds arising from these disposals on improving the property for the benefit of the residents. The funds spent on improvements are recorded as fixed assets. The annual depreciation on these improvements is charged to the extraordinary fund reserve.

MARSHAM COURT MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

15. ASSETS AND LIABILITIES OF THE TRUST UNDER SECTION 42 LANDLORD AND TENANT ACT 1987

	2018	2017
	£	£
Debtors	124,530	101,730
Cash at bank and in hand	1,203,805	359,523
	<u>1,328,335</u>	<u>461,253</u>
Creditors: amounts falling due within one year	(364,632)	(181,040)
Net assets	<u>963,703</u>	<u>280,213</u>
Represented by:		
Sinking fund reserve	<u>963,703</u>	<u>280,213</u>