

R. Mead Phase 1 (Swindon) Management Company Limited

Report of the Directors and Financial Statements for the Year Ended

31 December 2023
Company Number 05467331



R. Mead Phase 1 (Swindon) Management Company Limited

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2023

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R. Mead Phase 1 (Swindon) Management Company Limited - Registered number 05467331

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2023

The directors submit their report together with the financial statements for the year ended 31st December 2023.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Principal activities

The principal activities of the company are to manage, maintain and administer the land and leasehold buildings at Florey Court and Peony House, Old Town Swindon.

The company operates under the terms of:

A head lease entered into between the freeholder and the company.

The leases entered into between the company, leaseholders and the freeholder

The Memorandum and Articles of Association of the company.

The company's members are the leaseholders of the 79 apartments on the site. In order to meet the expenses of maintaining the site the company charge its members an annual Service Charge in accordance with the terms of their leases.

Ground Rent:

Ground rent is payable by leaseholders which has to be collected by the company and passed to the freeholder. (see note 12 for further details).

Freehold Fund:

The leases permit the company to collect payments towards a freehold fund to be used to purchase the freehold for the benefit of leaseholders. (see note 12 for further details).

BUSINESS REVIEW

On 1 February 2022 the directors terminated the services of the previous managing agent and appointed Block Management Ltd who are a professional local agent. The previous agent did not cooperate with the handover and the directors registered a complaint with the property ombudsman.

During the year a further three of the ten communal entrance doors were replaced with secure steel doors with the intention that the six remaining doors will be replaced over the next two years. The communal lighting is being replaced with modern integrated movement sensor and combined LED and emergency units. The door access control system was extended to the main waste store during the year and will extended to the bike stores and other bin areas. During the year the following reports were commissioned; Fire and General Risk Assessment, Electrical Installation Condition Reports and fire door assessment.

Right to Manage

The leaseholders acquired the Right To Manage via Florey Court and Peony House RTM Company Limited which enables the company to avoid using the freeholder's nominated insurer.

Freehold Fund

As agreed with leaseholders, the company charged an additional 15% of the service as a freehold fund (see note 12 d.) The directors agreed to allocate the interest received between the service charge reserve and the freehold fund based on the respective balances in each fund as at the start of the year.

SERVICE CHARGE ACCOUNTS

The directors have produced the statutory accounts for the year 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.

R. Mead Phase 1 (Swindon) Management Company Limited - Registered number 05467331

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2023

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of these accounts.

Andrew James Drinkwater
Debra Jaye Evans

The director shown below held office from 1 January 2023 and retired prior to the date of these accounts.

Henning Tonsmann Madsen - resigned 13 March 2023

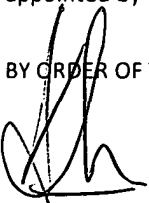
The directors shown below were appointed during the year.

Matthew Bentley- appointed by the board 10 July 2023.
James Jonathan Evans - appointed by the board 22 August 2023.

The directors wish to express their appreciation to Henning Madsen for his services as a director until the time of his resignation on the sale of his property.

Under the Articles of Association one third of directors must retire by rotation every three years together with any director appointed by the board since the previous members' meeting and may offer themselves for re-election.

BY ORDER OF THE BOARD



John R Morris FCMA CGMA MIRPM
Company Secretary
14 January 2024

Registered office:
15 Windsor Road
Swindon
SN3 1JP

www.florey.rmcweb.site

R. Mead Phase 1 (Swindon) Management Company Limited

Registered number 05467331

Income Statement

For the year ended 31 December 2023

| | | 31.12.2023 | 31.12.2022 |
|--------------------------------------|-------------|-------------------|-------------------|
| | Note | £ | £ |
| Turnover | 3 | 125,341 | 116,591 |
| Operating charges | 10 | (97,691) | (100,991) |
| Operating surplus | | 27,650 | 15,600 |
| Interest receivable | 6 | 2,620 | 566 |
| Retained surplus for the year | 7 | 30,270 | 16,166 |

R. Mead Phase 1 (Swindon) Management Company Limited

Registered number 05467331

Balancing Statement

| | | 31.12.2023 | | 31.12.2022 | |
|---------------------------------------|-------|----------------|-----------------------|----------------|----------------------|
| | Notes | £ | £ | £ | £ |
| Current Assets | | | | | |
| Cash at Bank | | 123,956 | | 95,384 | |
| Debtors | 4 | 18,961 | | 21,484 | |
| | | <u>142,917</u> | | <u>116,868</u> | |
| Creditors: | | | | | |
| Amounts falling due within one year | 5 | (35,327) | | (39,548) | |
| Net Current Assets | | | <u>107,590</u> | | <u>77,320</u> |
| Total Assets Less Current Liabilities | | | <u><u>107,590</u></u> | | <u><u>77,320</u></u> |
| Capital and Reserves | | | | | |
| Leaseholders' reserves: | | | | | |
| Service charge reserve | 7 | 84,302 | | 68,578 | |
| Designated reserve - Freehold fund | 7 | 23,288 | | 8,742 | |
| Total leaseholders' funds | | | <u><u>107,590</u></u> | | <u><u>77,320</u></u> |

For the year ending 31 December 2023 the company was entitled to exemption under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for:

- ensuring the company keeps accounting records which comply with Section 386 and 387 of the Company's Act 2006 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 surplus or deficit for each financial year, in accordance with the requirements of section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as is applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors on 14 January 2024 and were signed on its behalf by:



Debra Jayne Evans - Director

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2023

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with provisions applicable to companies subject to the small companies' regime. The accounts for the previous year have been restated on a consistent basis (see note 12d).

2 STATUTORY INFORMATION

R. Mead Phase 1 (Swindon) Management Company Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered office address can be found on the Directors' Report page.

The average number of employees during the year was : none (2022: none)

3 TURNOVER

Turnover represents the amounts derived from the provision of services during the year, exclusive of value added tax, plus collection of ground rent and contributions to a freehold purchase fund as detailed below.

| | <u>31.12.2023</u> | <u>31.12.2022</u> |
|------------------|--------------------------|--------------------------|
| | £ | £ |
| Service Charges: | 95,000 | 92,600 |
| Ground Rent | 16,091 | 16,091 |
| Freehold Fund | 14,250 | 7,900 |
| Total receivable | <u>125,341</u> | <u>116,591</u> |

4 DEBTORS

| | <u>31.12.2023</u> | <u>31.12.2022</u> |
|--|--------------------------|--------------------------|
| | £ | £ |
| Trade debtors (outstanding service charges) | 2 | 1,273 |
| Prepaid expenses (insurance and ground rent to freeholder) | 18,959 | 20,211 |
| | <u>18,961</u> | <u>21,484</u> |

5 CREDITORS: Amounts falling due within one year

| | <u>31.12.2023</u> | <u>31.12.2022</u> |
|--|--------------------------|--------------------------|
| | £ | £ |
| Accrued expenses (expenses incurred but not paid until the following period) | 9,617 | 19,475 |
| Service charges received from leaseholders in advance | 25,710 | 20,073 |
| | <u>35,327</u> | <u>39,548</u> |

6 INTEREST RECEIVABLE

| | <u>31.12.2023</u> | <u>31.12.2022</u> |
|--|--------------------------|--------------------------|
| | £ | £ |
| Bank interest on service charge reserves | 2,324 | 566 |
| Bank interest on freehold fund | 296 | - |
| | <u>2,620</u> | <u>566</u> |

7 RECONCILIATION OF RESERVES

| | Total £ | Service Charge | Freehold fund |
|---|-----------------------|----------------------|----------------------|
| Balance brought forward (see note 12 d) | 77,320 | 68,578 | 8,742 |
| Retained surplus for the year | 30,270 | 15,724 | 14,546 |
| Balance at year-end | <u>107,590</u> | <u>84,302</u> | <u>23,288</u> |

SERVICE CHARGE RESERVE POLICY

The directors consider it is prudent to aim to hold a reserve of at least two years Service Charges income to meet large irregular items of expenditure without the need for large variations in the level of Service Charges from year to year.

FREEHOLD FUND

See note 12 b)

R. Mead Phase 1 (Swindon) Management Company Limited - Registered number 05467331

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2023

| 8 Reconciliation of operating surplus to operating cash flows | 31.12.2023 | 31.12.2022 |
|--|-------------------|-------------------|
| | £ | £ |
| Operating surplus | 27,650 | 15,600 |
| Decrease in debtors (note 4) | 2,523 | 7,629 |
| (Decrease)/increase in operating creditors (note 5) | (4,221) | 34,279 |
| Net cash inflow from operating activities | 25,952 | 57,508 |

| 9 Analysis of changes in cash during the year. | 31.12.2023 | 31.12.2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Balance brought forward | 95,384 | 37,310 |
| Net cash inflow (note 9) | 25,952 | 57,508 |
| Interest received (note 6) | 2,620 | 566 |
| Balance at year-end | 123,956 | 95,384 |

The following note does not form part of the statutory financial statements:

| 10 Detailed Income & Expenditure | 31.12.2023 | 31.12.2022 |
|--|-------------------|-------------------|
| | £ | £ |
| Total income (note 3) | 125,341 | 116,591 |
| Less: | | |
| Ground rent payable to freeholder | (16,091) | (16,091) |
| Less freehold fund | (14,250) | (7,900) |
| Service charge income | 95,000 | 92,600 |
| Service charge expenditure: | | |
| Grounds maintenance | (3,350) | (3,150) |
| Site maintenance | (143) | (473) |
| Refuse management | (519) | (2,367) |
| Electrical maintenance | (162) | (1,669) |
| Electrical Installation Condition Reports - 5 yearly | (1,140) | |
| Cleaning | (4,521) | (4,175) |
| Maintenance - building | (2,432) | (5,112) |
| Maintenance - CCTV | - | (2,391) |
| Maintenance - communal TV system | - | (1,375) |
| Maintenance - new communal doors | (14,353) | (3,224) |
| Maintenance - roof repairs | (7,007) | - |
| Fire Alarms/AOVs | (425) | (1,642) |
| Door access control | (1,519) | (12,609) |
| Insurance - buildings | (24,703) | (23,315) |
| Insurance - directors & officers | (321) | (237) |
| Communal electricity | (3,733) | (3,752) |
| Accounts | (720) | (720) |
| Management agent fees | (14,705) | (14,243) |
| Management agent - previous agent fee in lieu of notice | - | (4,252) |
| Professional fees - Risk Assessment | (550) | - |
| Professional fees - Acquisition of RTM | (759) | - |
| Professional fees - Fire Door Assessments | (408) | - |
| Companies House and ICO fees | (61) | (48) |
| Sundry | (71) | (146) |
| Total expenditure | (81,600) | (84,900) |
| Operating surplus (excluding freehold fund) | 13,400 | 7,700 |
| Add interest receivable on service charge funds(note 6) | 2,324 | 566 |
| Service charge surplus transferred to reserves (note 7) | 15,724 | 8,266 |

| 11 Freehold Fund | | |
|--|---------------|--------------|
| Income (note 3) | 14,250 | 7,900 |
| Interest received (note 6) | 296 | - |
| Freehold fund surplus transferred to designated reserves (note 7) | 14,546 | 7,900 |

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2023

12 OTHER INFORMATION

a) Ground Rent

The freehold of the site is owned by Furatto Limited (Company No. 08939347) who purchased the site for £193,097 which is 12 times the annual ground rent charged. The site includes 79 apartments of which 2 are one-bed and 77 two-bed, held on leases granted for 150 years from 1 October 2004. The initial ground rent was £100 a year for a one-bed apartment and £150 a year for a two-bed apartment payable in two equal instalments in advance on 1 January and 1 July each year. The ground rent increases every 10 years in line with the increase in Retail Price Inflation. On 1 October 2014 the ground rent increased to £136.28 for a one-bed and £205.44 a year for a two-bed and is due to next increase in line with the Index of Retail Price Inflation over the ten years to 1 October 2024.

b) Freehold Fund

The leases provide an option for the company to purchase the freehold revision collectively on behalf of leaseholders. This would eliminate ground rent and allow the lease term to be extended (normally to 999 years). The option is available at a "Purchase Price" being the total amount of ground rent payable at the time the option is exercised multiplied by 12. The Sixth Schedule s12 of the lease states that a sum not exceeding 15% of the service charge in any year (excluding this provision) may be charged and collected as a fund for purchasing the freehold of the site.

c) Service Charges

The company appointed Block Management Ltd, a professional local managing agent to manage the site on its behalf on 1 February 2023. The managing agent has established a website at www.florey.rmcweb.site and advises the company on the level of service charges based on forecast expenditure and reserve transfers.

d) Re-statement of prior year accounts

Ground rent demands were obtained from the freeholder during the year for the past two years and it was noted that these cover a period of 9 months in advance for the following year i.e. to September. It had been assumed that the ground rent was demanded calendar yearly in advance, the same as leaseholders' ground rent payments. Previous service charge accounts did not recognise the prepayment of £12,069 and were instead prepared on a cash paid basis. The accounts for the current year recognise the prepayment and the comparative accounts for 2023 have been restated on a consistent basis.

e) Commissions and kick-back declaration

No commission or kick-backs of any kind are received by the managing agent appointed on 1 February 2022 or the company directors.

Debra Evans has declared an interest in the gardening and cleaning contracts as she is a partner in the contractor engaged by the company. She has accordingly absented herself as a director of the company from any decisions regarding these services.