

Registered number:  
05505563

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 31 December 2015

for

Knightsbridge Residents Management  
Company Limited

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Knightsbridge Residents Management  
Company Limited

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for the Year Ended 31 December 2015

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Knightsbridge Residents Management  
Company Limited

Company Information  
for the Year Ended 31 December 2015

**DIRECTORS:**

A D Tabor  
R Twigden  
C J E Barrass  
G J Sharp  
C S Gibson-Smith  
I C Advaney

**SECRETARY:**

London Registrars P.L.C.

**REGISTERED OFFICE:**

Suite A  
6 Honduras Street  
London  
EC1Y 0TH

**REGISTERED NUMBER:**

05505563 (England and Wales)

**AUDITOR:**

MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditor  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

**BANKERS:**

HSBC Bank P.L.C.  
City of London Branch  
60 Queen Victoria Street  
London  
EC4N 4TR

Knightsbridge Residents Management  
Company Limited

Strategic Report  
for the Year Ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

**REVIEW OF BUSINESS**

Knightsbridge Residents Management Company Limited has continued in 2015 to consolidate its position at the very top end of the residential property sector. The company retains an excellent reputation for overseeing the management of the premier luxury five star deluxe residential estate in London with the very best bespoke and personalised service to all residents. However as numerous luxury residential developments are in the pipeline within the London property sector the company is very much focussed on a creative approach to continue to lead the market and stay ahead of the competition.

The company reserves of £2,354,638 (2014: £1,988,309) as set out in note 13 are the key financial indicator for the company. The reserves are held by the company on behalf of the residents to meet in particular the planned expenditure on long term projects. The increase in the reserves is for the major expenditure on the car park repair.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors have updated their review of the principal risks and uncertainties facing the business which remain unchanged.

Due to the nature of the business there are no significant risks. One specific area considered by the directors is cash flow relating to collection of resident debtors. As mitigation a third party service provider collects the debts on behalf of Knightsbridge Residents Management Company Limited. This third party service provider collect the debtors on a timely basis and as an agent will raise late payment charges and interest charges where appropriate to encourage timely payment.

Further to this, an additional risk considered is the company overspending the residents' monies and incurring liquidity issues. Ultimately this risk is short term as the leases prescribe that any overspend can be recovered from residents. To mitigate this risk there is a robust monthly budgeting and management reporting process involving key management in all departments.

It is deemed the business plans implemented by management mitigate the principal risks to an acceptable level.

**FUTURE DEVELOPMENTS**

In line with the company's aim to remain ahead of the market in 2016 there are major projects planned such as the much needed refurbishment and improvement of the car parking facility as well as the planning for an exciting project to extend the oversubscribed residents only Kinesis Spa. These projects are reflected in the build up of reserves in previous accounting periods.

The delivery of the 2016 budget has focused on continuing to provide outstanding quality and drive value for the residents. With this in mind management have managed to streamline and stabilise the core budget to drive value for money on the provision of day-to-day services meanwhile collecting further funds to invest in necessary refurbishment and renewal as well as the improvement and enhancement of the five star deluxe services provided and the estate as a whole.

**ON BEHALF OF THE BOARD:**



.....  
C J E Barrass - Director

Date: 8/6/16 .....

Knightsbridge Residents Management  
Company Limited

Report of the Directors  
for the Year Ended 31 December 2015

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the management of the apartments and common areas at 199 Knightsbridge.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2015 (2014: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

A D Tabor  
R Twigden  
C J E Barrass  
G J Sharp  
C S Gibson-Smith  
I C Advaney

**DIRECTORS' INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**STRATEGIC REPORT**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the directors have prepared a review of the business within the strategic report presented on page 2.

**STATEMENT OF 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

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.

Knightsbridge Residents Management  
Company Limited

Report of the Directors  
for the Year Ended 31 December 2015

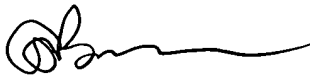
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

**AUDITOR**

The auditor, MHA MacIntyre Hudson, will be proposed for re-appointment.

**ON BEHALF OF THE BOARD:**



.....  
C J E Barrass - Director

Date: 8/6/16

Report of the Independent Auditor to the Members of  
Knightsbridge Residents Management  
Company Limited

We have audited the financial statements of Knightsbridge Residents Management Company Limited for the year ended 31 December 2015 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and 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'.

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 a Report of the Auditor 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.

**Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditor.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditor to the Members of  
Knightsbridge Residents Management  
Company Limited

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.



Andrew Moyser FCCA ACA (Senior Statutory Auditor)  
for and on behalf of MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditor  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

Date: 17 JUNE 2016



Knightsbridge Residents Management  
Company Limited

Statement of Comprehensive Income  
for the Year Ended 31 December 2015

		31.12.15		31.12.14 as restated	
	Notes	£	£	£	£
<b>TURNOVER</b>			7,117,478		7,043,036
Operational costs		(5,411,132)		(5,277,905)	
Reserve contribution	6	<u>(1,706,346)</u>		<u>(1,765,131)</u>	
			<u>(7,117,478)</u>		<u>(7,043,036)</u>
			-		-
Other operating income			<u>20,337</u>		<u>13,854</u>
<b>OPERATING PROFIT</b>	3		20,337		13,854
Interest receivable and similar income	4		<u>-</u>		<u>2</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			20,337		13,856
Tax on profit on ordinary activities	5		<u>(4,067)</u>		<u>(1,186)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			16,270		12,670
<b>OTHER COMPREHENSIVE INCOME</b>			<u>-</u>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u>16,270</u>		<u>12,670</u>


The notes form part of these financial statements

Knightsbridge Residents Management  
Company Limited (Registered number: 05505563)

Statement of Financial Position  
31 December 2015

		31.12.15	31.12.14 as restated
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	7	-	-
<b>CURRENT ASSETS</b>			
Debtors	8	3,219,353	2,424,549
Cash at bank and in hand	9	<u>7,609,354</u>	<u>6,853,114</u>
		10,828,707	9,277,663
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>8,473,868</u>	<u>7,289,153</u>
<b>NET CURRENT ASSETS</b>		<u>2,354,839</u>	<u>1,988,510</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>2,354,839</u></u>	<u><u>1,988,510</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	201	201
Major capital projects reserve	13	282,220	173,721
Capital expenditure reserve	13	335,154	438,935
Sinking fund reserve	13	1,354,459	1,009,117
Retained earnings	13	<u>382,805</u>	<u>366,536</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>2,354,839</u></u>	<u><u>1,988,510</u></u>

The financial statements were approved by the Board of Directors on ..... 8/6/16 ..... and were signed on its behalf by:

  
.....  
C J E Barrass - Director

The notes form part of these financial statements

Knightsbridge Residents Management  
Company Limited

Statement of Changes in Equity  
for the Year Ended 31 December 2015

	Called up share capital £	Retained earnings £	Major capital projects reserve £
<b>Balance at 1 January 2014</b>	201	353,868	420,919
<b>Changes in equity</b>			
Profit for the year	-	12,670	-
Adjustment for provisions	-	1,765,131	-
Transfer to reserves	-	(1,527,375)	600,000
Expenditure	-	-	(1,184,956)
Additional provision	-	(237,758)	337,758
<b>Balance at 31 December 2014</b>	<u>201</u>	<u>366,536</u>	<u>173,721</u>
<b>Changes in equity</b>			
Profit for the year	-	16,270	-
Adjustment for provisions	-	1,706,346	-
Transfer to reserves	-	(1,528,948)	196,089
Expenditure	-	-	(264,989)
Additional provision	-	(177,399)	177,399
<b>Balance at 31 December 2015</b>	<u>201</u>	<u>382,805</u>	<u>282,220</u>
	Capital expenditure reserve £	Sinking fund reserve £	Total equity £
<b>Balance at 1 January 2014</b>	473,981	507,862	1,756,831
<b>Changes in equity</b>			
Profit for the year	-	-	12,670
Adjustment for provisions	-	-	1,765,131
Transfer to reserves	150,000	777,375	-
Expenditure	(85,046)	(276,120)	(1,546,122)
Additional provision	(100,000)	-	-
<b>Balance at 31 December 2014</b>	<u>438,935</u>	<u>1,009,117</u>	<u>1,988,510</u>
<b>Changes in equity</b>			
Profit for the year	-	-	16,270
Adjustment for provisions	-	-	1,706,346
Transfer to reserves	149,542	1,183,317	-
Expenditure	(253,323)	(837,975)	(1,356,287)
Additional provision	-	-	-
<b>Balance at 31 December 2015</b>	<u>335,154</u>	<u>1,354,459</u>	<u>2,354,839</u>

The notes form part of these financial statements

Knightsbridge Residents Management  
Company Limited

Statement of Cash Flows  
for the Year Ended 31 December 2015

		31.12.15	31.12.14 as restated
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	759,011	1,630,074
Tax paid		<u>(2,771)</u>	<u>(1,186)</u>
Net cash from operating activities		<u>756,240</u>	<u>1,628,888</u>
 <b>Cash flows from investing activities</b>			
Interest received		<u>-</u>	<u>2</u>
Net cash from investing activities		<u>-</u>	<u>2</u>
 <b>Cash flows from financing activities</b>			
Reserve expenditure		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
 <b>Increase in cash and cash equivalents</b>		<u>756,240</u>	<u>1,628,890</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>6,853,114</u>	<u>5,224,224</u>
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>7,609,354</u></u>	<u><u>6,853,114</u></u>

The notes form part of these financial statements

Knightsbridge Residents Management  
Company Limited

Notes to the Statement of Cash Flows  
for the Year Ended 31 December 2015

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.15	31.12.14 as restated
	£	£
Profit before taxation	20,337	13,856
Adjustment for provisions	1,706,346	1,765,131
Reserve expenditure	(1,356,287)	(1,546,122)
Finance income	<u>-</u>	<u>(2)</u>
	370,396	232,863
(Increase)/decrease in trade and other debtors	(794,804)	351,598
Increase in trade and other creditors	<u>1,183,419</u>	<u>1,045,613</u>
<b>Cash generated from operations</b>	<u><u>759,011</u></u>	<u><u>1,630,074</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2015**

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u><u>7,609,354</u></u>	<u><u>6,853,114</u></u>

**Year ended 31 December 2014**

	31.12.14 as restated	1.1.14
	£	£
Cash and cash equivalents	<u><u>6,853,114</u></u>	<u><u>5,224,224</u></u>

The notes form part of these financial statements

Knightsbridge Residents Management  
Company Limited

Notes to the Financial Statements  
for the Year Ended 31 December 2015

**1. ACCOUNTING POLICIES**

**1.1. Company information**

Knightsbridge Residents Management Company Limited ("the company") manages the apartments and common areas at 199 Knightsbridge on behalf of the residents.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The principal place of business is 199 Knightsbridge, London.

**1.2. Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**1.3. Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements reflect all transactions including those with, for and on behalf of the apartment's owners.

The company holds the freehold of 199 Knightsbridge which was transferred from the developer following the sale of apartments on the site. Since no consideration was paid by the company to acquire the freehold, under the historic cost convention, no historic cost is recorded for this asset in the financial statements.

The directors, having considered the business plans and forecasts for the company for the next 12 months, and beyond, have confirmed the appropriateness of the going concern basis of preparation. This is based on the assumption that the company is required to expend only those amounts that it has received from the owners of the apartments in accordance with their wishes.

**1.4. Going concern**

After reviewing the plans and budget for the forthcoming year along with the 25 year plan the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements

**1.5. Principal accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 16.

**(a) Turnover**

Revenue is measured at the fair value of the right to consideration and represents amounts receivable for service charges in respect of apartments, car park spaces and storage areas and fees for the provision of additional services to residents. Turnover is receivable wholly within the United Kingdom.

**(b) Taxation**

The company's business consists of the management on a not-for-profit basis of a block of apartments for the apartment owners of 199 Knightsbridge. As a result the company is only taxed on its non business sources of income.

**(c) Fixed assets**

The Company holds some fixed assets on behalf of the residents; however these are taken straight to the Statement of Comprehensive Income and are not held on the Statement of Financial Position. It is deemed that although the Company purchases the assets ultimately they property of the residents.

The notes form part of these financial statements

Knightsbridge Residents Management  
Company Limited

Notes to the Financial Statements  
for the Year Ended 31 December 2015

**(d) Cash at bank and in hand**

The balance disclosed as cash at bank and in hand includes cash held and cash equivalents.

**(e) Debtors**

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

**(f) Creditors**

Short term creditors are measured at the transaction price.

**(g) Leases**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**(h) Provisions for liabilities**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event. It is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**(i) Employee benefits**

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

**2. STAFF COSTS**

The aggregate payroll costs including directors were as follows:

	31.12.15	31.12.14 as restated
Wages & salaries	2,363,551	2,185,056
Social security costs	243,034	225,175
Staff pensions	<u>32,271</u>	<u>20,943</u>
	<u>2,638,856</u>	<u>2,408,414</u>

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year are per the above table, there were no outstanding balances at the year end.

The average monthly number of employees during the year was as follows:

	31.12.15	31.12.14 as restated
Management & Administration Staff	<u>69</u>	<u>68</u>

The notes form part of these financial statements

Knightsbridge Residents Management  
Company Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2015

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.15	31.12.14 as restated
	£	£
Operating lease costs	25,409	23,861
Directors' remuneration	122,280	120,000
Directors' pension contribution	3,600	3,600
Fees paid to the auditor in respect of the audit of the company's accounts	15,000	23,820
Fees paid to the auditor in respect of other services	<u>2,500</u>	<u>2,900</u>

One director is enrolled in the pension scheme.

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	31.12.15	31.12.14 as restated
	£	£
Interest on overpaid tax	<u>-</u>	<u>2</u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.15	31.12.14 as restated
	£	£
Current tax:		
UK corporation tax	4,067	2,771
Overprovision in 2013	<u>-</u>	<u>(1,585)</u>
 Tax on profit on ordinary activities	 <u>4,067</u>	 <u>1,186</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.15	31.12.14 as restated
	£	£
Profit on ordinary activities before tax	<u>20,337</u>	<u>13,856</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%)	4,067	2,771
Effects of:		
Overprovision in 2013	<u>-</u>	<u>(1,585)</u>
Total tax charge	<u>4,067</u>	<u>1,186</u>

The notes form part of these financial statements



Knightsbridge Residents Management  
Company Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2015

**6. PRIOR YEAR ADJUSTMENT**

The presentation of the Statement of Comprehensive Income has been amended to disclose the resident contribution to reserves on the face of this statement. In prior years this was disclosed through the reserve note. The revised treatment is deemed to be a more fair reflection of the performance of the business as it shows clearly that the organisation is not making a profit on the resident's service fee.

**7. TANGIBLE FIXED ASSETS**

The company holds the freehold of 199 Knightsbridge which was transferred from the developer following the sale of apartments on the site. Since no consideration was paid by the company to acquire the freehold, under the historic cost convention, no historic cost is recorded for this asset in the financial statements.

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.15	31.12.14 as restated
	£	£
Other debtors	2,985,248	2,192,607
Unpaid share capital	201	201
Accrued Income	-	10,140
Prepayments	<u>233,904</u>	<u>221,601</u>
	<u><u>3,219,353</u></u>	<u><u>2,424,549</u></u>

**9. CASH AT BANK AND IN HAND**

Knightsbridge Residents Management Company Limited has cash at bank and in hand and cash equivalents of £7,609,354 (2014: £6,853,114). Included within this balance are deposits totalling £3,719,261 (2014: £3,066,909) which are held on behalf of the apartment owners. These funds can only be used where the payment of service charge is in default.

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.15	31.12.14 as restated
	£	£
Trade creditors	258,473	461,803
Payments in advance	4,117,746	3,558,739
Apartment owner deposits	3,719,261	3,066,909
Tax	4,067	2,771
Other creditors	114,351	72,378
Accrued expenses	<u>259,970</u>	<u>126,553</u>
	<u><u>8,473,868</u></u>	<u><u>7,289,153</u></u>

**11. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.15	31.12.14 as restated
	£	£
Within one year	4,517	4,462
Between one and five years	<u><u>5,386</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

Knightsbridge Residents Management  
Company Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2015

**12. CALLED UP SHARE CAPITAL**

Allotted and issued:		Nominal value:	31.12.15	31.12.14 as restated
Number:	Class:		£	£
201	Ordinary B	£1	<u>201</u>	<u>201</u>

**13. RESERVES**

	Retained earnings £	Major capital projects reserve £	Capital expenditure reserve £	Sinking fund reserve £	Totals £
At 1 January 2015	366,536	173,721	438,935	1,009,117	1,988,309
Profit for the year	16,270				16,270
Adjustment for provisions	1,706,346	-	-	-	1,706,346
Transfer to reserves	(1,528,948)	196,089	149,542	1,183,317	-
Expenditure	-	(264,989)	(253,323)	(837,975)	(1,356,287)
Additional provision	<u>(177,399)</u>	<u>177,399</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2015	<u>382,805</u>	<u>282,220</u>	<u>335,154</u>	<u>1,354,459</u>	<u>2,354,638</u>

In accordance with the resident leases the company maintains reserves with the primary function of allowing the residents to enjoy high quality facilities now and in the future. The lease allows the company to include charges to the residents in the annual service charge to maintain these reserves at an appropriate level to meet the expenditure required.

This expenditure is assessed on the basis of a rolling 25 year plan as updated by management and a third party surveyor. The reserves are categorised as either sinking fund reserve which aims to meet the long term planned maintenance or capital reserves which are for special capital projects.

**14. RELATED PARTY DISCLOSURES**

A D Tabor, R Twigden, G J Sharp, C S Gibson-Smith and I C Advaney are shareholders of Knightsbridge Residents Management Company Limited and act as directors to the company.

They are charged service fee on the same basis of all other residents with regards to their respective apartments, car park spaces, storage cages and fees for the provision of additional services provided. Therefore the transactions were conducted at arms' length, on normal terms and in the ordinary course of the business.

**15. ULTIMATE CONTROLLING PARTY**

As at 31 December 2015, the residents are the ultimate controlling party as their ownership of the apartments entitle them a shareholding of one share each.

**16. FIRST YEAR ADOPTION**

The policies applied under the entities previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The notes form part of these financial statements