

Registration number: 05505563

# Knightsbridge Residents Management Company Limited

Annual Report and Financial Statements  
for the Year Ended 31 December 2022



## **Knightsbridge Residents Management Company Limited**

### **Contents**

Company Information	1
Strategic Report	2 to 3
Directors' Report	4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 8
Profit and Loss Account	9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 to 19

## **Knightsbridge Residents Management Company Limited**

### **Company Information**

<b>Directors</b>	C J E Barrass
	G L Dixon
	C S Gibson-Smith
	G J Sharp
	A D Tabor-King
<b>Company secretary</b>	MSP Corporate Services Limited
<b>Registered office</b>	Eastcastle House 27/28 Eastcastle Street London W1W 8DH
<b>Bankers</b>	HSBC Bank P.L.C. City of London Branch 60 Queen Victoria Street London EC4N 4TR
<b>Auditor</b>	MHA MacIntyre Hudson 2 London Wall Place London EC2Y 5AU

## **Knightsbridge Residents Management Company Limited**

### **Strategic Report for the Year Ended 31 December 2022**

The directors present their strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

2022, like 2021, has continued to be a challenging year for the Knightsbridge Resident Management Company Limited as it has for many other businesses and individuals. General inflationary pressures have been experienced in addition to the significant increase in the energy market that started at the end of 2021 and continued through 2022.

The company has an excellent reputation for overseeing the management of the premier luxury five-star deluxe residential estate in London. The company always needs to respond to the changing luxury market in London with increased competition to ensure that the company has a strategy to retain its enviable position in that luxury market.

The company has continued to focus on enhancing its position as the market leader in the residential property sector while focusing on asset renewal projects to ensure this strategy is delivered as part of the estate's 25-year plan.

The company reserves of £1,720,312 (2021 - £1,612,371) are the key financial indicator for the company. The reserves are held by the company on behalf of the residents to meet the planned expenditure on long-term projects to maintain the estate to the highest standard.

#### **Principal risks and uncertainties**

The directors have reviewed the principal risks and uncertainties facing the business. Due to the nature of the business, there remain no significant risks. The collection of the resident debtor balance remains important to fund the annual expenditure budget. As mitigation the company uses a third-party service provider to collect all debts. This third-party service provider collects the debtors on a timely basis and as an agent will raise late payment charges and interest charges where appropriate to encourage timely payments.

An additional risk considered is the company overspending the residents' monies and incurring liquidity issues. Ultimately this risk is short term as the lease prescribes 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 that the business plans implemented by management mitigate the principal risks to an acceptable level. Appropriate professional indemnity insurance is in place for the benefit of the directors.

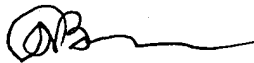
## **Knightsbridge Residents Management Company Limited**

### **Strategic Report for the Year Ended 31 December 2022**

#### **Future developments**

The utility costs have reduced significantly in 2023 so the outlook is better for the next financial year. Changes to the insurance market and pressures expected on obtaining appropriate and sufficient insurance cover will be a challenge in the forthcoming year. Significant projects that will start this year include the complete replacement and upgrade of the window cleaning cradles and the renewal of the Building Management System.

Approved and authorised by the Board on 11 May 2023 and signed on its behalf by:



.....  
C J E Barrass  
Director

## **Knightsbridge Residents Management Company Limited**

### **Directors' Report for the Year Ended 31 December 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

#### **Directors of the company**

The directors who held office during the year were as follows:

C J E Barrass

G L Dixon

C S Gibson-Smith

G J Sharp

A D Tabor-King

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 11 May 2023 and signed on its behalf by:



.....  
C J E Barrass  
Director

## **Knightsbridge Residents Management Company Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 and are in accordance with FRS 102. 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.

# Independent auditor's report

To the Shareholders of Knightsbridge Residents Management Company Limited

## Opinion

In our opinion, Knightsbridge Residents Management Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise: the balance sheet as at 31 December 2022; the profit and loss account, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.



Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Reporting on other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinion 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, 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.

### **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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting - Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns; or
- a corporate governance statement has not been prepared by the company.

We have no exceptions to report arising from this responsibility.



**Andrew Moyser FCA FCCA**

Senior Statutory Auditor

for and on behalf of MHA MacIntyre Hudson, Statutory Auditor

London

Date: 22 May 2023

**Now, for tomorrow**

# **Knightsbridge Residents Management Company Limited**

## **Profit and Loss Account for the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Service fee	3	<u>10,221,452</u>	<u>9,150,914</u>
Operational costs		(7,438,842)	(6,492,835)
Reserve contribution		<u>(2,782,610)</u>	<u>(2,658,079)</u>
Administrative expenses		(10,221,452)	(9,150,914)
Other operating income		<u>44,331</u>	<u>18,828</u>
Operating profit	4	<u>44,331</u>	<u>18,828</u>
Profit before tax		44,331	18,828
Taxation	6	<u>(369)</u>	<u>(22)</u>
Profit for the financial year		<u><u>43,962</u></u>	<u><u>18,806</u></u>

The above results were derived from continuing operations.

**Knightsbridge Residents Management Company Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2022**

	2022 £	2021 £
Profit for the year	<u>43,962</u>	<u>18,806</u>
Total comprehensive income for the year	<u>43,962</u>	<u>18,806</u>

# Knightsbridge Residents Management Company Limited

(Registration number: 05505563)  
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	7	-	-
		-	-
<b>Current assets</b>			
Debtors	8	5,284,269	4,380,128
Cash at bank and in hand	9	10,133,119	8,604,513
		15,417,388	12,984,641
<b>Creditors: Amounts falling due within one year</b>	10	(13,696,875)	(11,372,069)
<b>Net current assets</b>		1,720,513	1,612,572
<b>Net assets</b>		1,720,513	1,612,572
<b>Capital and reserves</b>			
Called up share capital	11	201	201
Capital expenditure reserve		14,429	15,863
Major capital projects reserve		246,738	264,011
Sinking fund reserve		902,441	818,018
Retained earnings		556,704	514,479
<b>Total equity</b>		1,720,513	1,612,572

Approved and authorised by the Board on 11 May 2023 and signed on its behalf by:



.....  
C J E Barrass  
Director

**Knightsbridge Residents Management Company Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2022**

	Share capital £	Capital expenditure reserve £	Major capital projects reserve £	Sinking fund reserve £	Retained earnings and Service charges £	Total £
At 1 January 2022	201	15,863	264,011	818,018	514,479	1,612,572
Profit for the year	-	-	-	-	43,962	43,962
Service fee less core expenditure	-	-	-	-	1,994,423	1,994,423
Service fee to reserves	-	375,370	1,203,620	1,203,620	(2,782,610)	-
Total comprehensive income	-	375,370	1,203,620	1,203,620	(744,225)	2,038,385
Movement in reserves	-	-	(650,000)	(136,450)	786,450	-
Reserve expenditure	-	(376,804)	(570,893)	(982,747)	-	(1,930,444)
At 31 December 2022	201	14,429	246,738	902,441	556,704	1,720,513
	Share capital £	Capital expenditure reserve £	Major capital projects reserve £	Sinking fund reserve £	Retained earnings £	Total £
At 1 January 2021	201	47,014	714,494	84,931	495,673	1,342,313
Profit for the year	-	-	-	-	18,806	18,806
Service fee less core expenditure	-	-	-	-	2,299,005	2,299,005
Service fee to reserves	-	365,470	780,000	1,512,609	(2,658,079)	-
Total comprehensive income	-	365,470	780,000	1,512,609	(340,268)	2,317,811
Movement in reserves	-	40,000	300,000	(699,074)	359,074	-
Reserve expenditure	-	(436,621)	(1,530,483)	(80,448)	-	(2,047,552)
At 31 December 2021	201	15,863	264,011	818,018	514,479	1,612,572

The notes on pages 14 to 19 form an integral part of these financial statements.

# Knightsbridge Residents Management Company Limited

## Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		43,962	18,806
Adjustments to cash flows from non-cash items			
Service fee less core expenditure		1,994,423	2,299,005
Reserve expenditure		(1,930,444)	(2,047,552)
Taxation	6	369	22
		<u>108,310</u>	<u>270,281</u>
Working capital adjustments			
Increase in trade debtors and prepayments	8	(904,141)	(622,451)
Increase in trade creditors, other creditors and accruals	10	818,916	63,587
Increase in deferred service fee		<u>1,505,521</u>	<u>442,362</u>
Cash generated from operations		1,528,606	153,779
Taxation received		<u>-</u>	<u>8,907</u>
Net cash flow from operating activities		<u>1,528,606</u>	<u>162,686</u>
Net increase in cash and cash equivalents		1,528,606	162,686
Cash and cash equivalents at 1 January		<u>8,604,513</u>	<u>8,441,827</u>
Cash and cash equivalents at 31 December		<u><u>10,133,119</u></u>	<u><u>8,604,513</u></u>

The notes on pages 14 to 19 form an integral part of these financial statements.

## **Knightsbridge Residents Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **1 General information**

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

Eastcastle House  
27/28 Eastcastle Street  
London  
W1W 8DH

These financial statements were authorised for issue by the Board on .....

11<sup>th</sup> MAY 2023

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

##### **Basis of preparation**

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 consider the freehold has a market value of nil, as the value and ownership rests with the apartment owners.

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.

##### **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.

##### **Service fee**

Service fees are 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. Service fees are received wholly within the United Kingdom.

##### **Significant accounting estimates and critical accounting judgements**



## **Knightsbridge Residents Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

There have been no significant accounting estimates or critical accounting judgements in the year.

#### **Government grants**

Job retention scheme income is recognised using the accruals model and is matched against the expenditure towards which it is intended to contribute.

#### **Tax**

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.

#### **Tangible 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 are property of the residents.

#### **Cash and cash equivalents**

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

#### **Trade debtors**

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

#### **Trade creditors**

Short term creditors are measured at the transaction price.

#### **Provisions**

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.

#### **Reserves**

The reserves include the Service Fee collected from the residents, as per the agreed upon budget, less the actual expenditure incurred in the year allocated to each reserve.

#### **Leases**

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

#### **Defined contribution pension obligation**

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

#### **Short term employee benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is provided.

## Knightsbridge Residents Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 3 Service fee

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Service fee	<u>10,221,452</u>	<u>9,150,914</u>

#### 4 Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Operating lease costs	2,433	2,536
Directors' remuneration	189,844	206,426
Directors' pension	10,470	9,375
Fees paid to the auditor in respect of the audit of the company's accounts	24,000	22,000
Fees paid to the auditor in respect of other services	3,751	3,751
	<u>230,498</u>	<u>244,088</u>

#### 5 Staff costs

The aggregate payroll costs including directors were as follows:

	2022	2021
	£	£
Wages & salaries	2,755,516	2,564,833
Social security costs	338,394	290,079
Staff pensions	128,768	120,848
	<u>3,222,678</u>	<u>2,975,760</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 number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and support	<u>66</u>	<u>65</u>

## Knightsbridge Residents Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

The key management personnel of the company are comprised of the directors.

#### 6 Taxation

Tax charged/(credited) in the Profit and Loss Account

	2022 £	2021 £
<b>Current taxation</b>		
UK corporation tax	<u>369</u>	<u>22</u>
	2022 £	2021 £
Profit before tax	<u>44,331</u>	<u>18,828</u>
Tax rate	<u>19</u>	<u>19</u>
Corporation tax at standard rate	8,423	3,577
Effect of revenues exempt from taxation	<u>(8,054)</u>	<u>(3,555)</u>
Total tax charge	<u>369</u>	<u>22</u>

#### 7 Tangible assets

The company holds the freehold of 199 Knightsbridge which is 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 consider the freehold has a market value of nil, as the value and ownership rests with the apartment owners.

## Knightsbridge Residents Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 8 Debtors

	2022	2021
	£	£
<b>Current</b>		
Service fee receivable	4,767,957	3,912,332
Prepayments	516,111	467,595
Called up share capital not paid	201	201
	<u>5,284,269</u>	<u>4,380,128</u>

#### 9 Cash and cash equivalents

Knightsbridge Residents Management Company Limited has cash at bank and in hand and cash equivalents of £10,133,119 (2021 - £8,604,513). Included within this balance are deposits totaling £6,050,644 (2021 - £5,186,425) 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

	2022	2021
	£	£
<b>Due within one year</b>		
Trade creditors	427,301	369,395
Other payables	6,244,253	5,305,271
Accruals	501,590	679,562
Corporate tax liability	391	22
Deferred service fee	<u>6,523,340</u>	<u>5,017,819</u>
	<u>13,696,875</u>	<u>11,372,069</u>

#### 11 Share capital

##### Allotted and called up shares

	2022		2021
	No.	£	No.
			£
Ordinary B Shares of £1 each	<u>201</u>	<u>201</u>	<u>201</u>

## **Knightsbridge Residents Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **12 Obligations under leases and hire purchase contracts**

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	-	1,717
	<u>-</u>	<u>1,717</u>

#### **13 Reserves**

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 Controlling Party**

There is no ultimate controlling party.

#### **15 Related party transactions**

##### **Summary of transactions with other related parties**

Due to the nature of the entity, all shareholders are charged service fees in respect of their leasehold property and car park space. The company also holds deposits. These are transacted at normal commercial terms.