

**REPORT AND FINANCIAL STATEMENTS**

**31 December 2016**

**ARNEWOOD COURT (BOURNEMOUTH) MANAGEMENT  
COMPANY LIMITED**

**M. J. RHODES & CO**

**Chartered Accountants**

SATURDAY



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04/03/2017

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COMPANIES HOUSE

ACCOUNTS

31 December 2016

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**DIRECTORS AND OFFICERS**

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**DIRECTORS**

Mr G W Baylis  
Mr R A Swift

**SECRETARY**

Mr S G Cox

**REGISTERED OFFICE**

6 Poole Hill  
Bournemouth  
Dorset  
BH2 5PS

**ACCOUNTANTS**

M J Rhodes & Co  
Chartered Accountants  
8 Poole Hill  
Bournemouth  
BH2 5PS

**REPORT OF THE DIRECTORS**

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The directors submit their report and the accounts for the year to 31 December 2016.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is the management of residential property. The monies collected from the property owners are held in trust under the Landlord & Tenant Act 1987, and separate service charge accounts are prepared.

**RESULTS AND DIVIDENDS**

The results of the company for the year under review are set out in detail on page 4.

**DIRECTORS**

The directors who served during the year were:

G W Baylis  
R A Swift


**TAXATION STATUS**

In the opinion of the directors, the company is not a close company for taxation purposes.

**EXEMPTIONS**

The above report has been prepared in accordance with the small companies regime of the Companies Act 2006.

Approved by the Board of Directors  
and signed on behalf of the Board

...  ...  
... 16/2/17 ...

Secretary

Date

S. G. Cox Co. Sec.

**STATEMENT OF DIRECTORS RESPONSIBILITIES**

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The directors are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year.

Under that law the director has elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

**PROFIT AND LOSS ACCOUNT**  
**For the year to 31 December 2016**

	Note	2016 £	2015 £
<b>TURNOVER</b>	1(b)	1,105	1,613
Interest receivable		4	10
Administrative expenses		252	219
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>857</u>	<u>1,404</u>
Tax on profit on ordinary activities	3	-	-
<b>PROFIT RETAINED AND TRANSFERRED TO RESERVES</b>		<u><u>857</u></u>	<u><u>1,404</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years.

**RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the retained profit or loss for the above two financial years.

**STATEMENT OF MOVEMENT ON RESERVES**  
**for the year ended 31 December 2016**

	Profit & loss account £
Balance at 1 January 2016	37,234
Service charge account transfer	(33,126)
Profit for the year	857
Balance at 31 December 2016	<u><u>4,965</u></u>

The notes on page 6 form an integral part of these accounts.

**BALANCE SHEET**  
**31 December 2016**

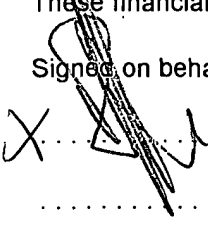
	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Freehold property		1	1
<b>CURRENT ASSETS</b>			
Debtors	4	-	24,286
Ground rents receivable		-	444
Cash at bank		5,110	12,649
		<u>5,110</u>	<u>37,379</u>
<b>CREDITORS</b>			
Accruals and deferred income - accountancy		<u>120</u>	<u>120</u>
<b>NET CURRENT ASSETS</b>		4,990	37,259
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,991</u>	<u>37,260</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Called up share capital	5	26	26
Profit and loss account		4,965	37,234
<b>SHAREHOLDERS FUNDS</b>		<u>4,991</u>	<u>37,260</u>

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 Companies Act 2006; and no notice has been deposited under section 476. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the period end and of its profit (or loss) for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006, so far as applicable to the company.

The accounts have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

These financial statements were approved by the Board of the Directors on .....

Signed on behalf of the Board of Directors

X  .....  
 22/2/17

Director

Date

← here please Bob.  
Mr R. Swift Director

The notes on page 6 form an integral part of these accounts

31 December 2016

**1) ACCOUNTING POLICIES**

**(i) Accounting convention**

These financial statements have been prepared in accordance with the historical cost convention.

**(ii) Turnover**

The company has no income. The maintenance charges collected are dealt with in the separate service charge accounts.

**(iii) Tangible fixed assets**

All fixed assets are initially recorded at cost.

**(iv) Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**2) INFORMATION REGARDING EMPLOYEES**

The company has no employees.

**3) TAX ON PROFIT ON ORDINARY ACTIVITIES**

2016  
£

2015  
£

Corporation tax charged on taxable profits

-

-

**4) DEBTORS: amount falling due within one year**

2016  
£

2015  
£

Other debtors

-

-

Due from service charge accounts

-

24,286

-

24,286

**5) SHARE CAPITAL**

2016  
£

2015  
£

Issued and fully paid :

26 Ordinary shares of £1 each

26

26

**INCOME AND EXPENDITURE ACCOUNT**  
**For the year to 31 December 2016**

		2016		2015
	£	£	£	£
<b>INCOME</b>				
Car park rents and electricity substation site	1,105		1,613	
Interest receivable	<u>4</u>		<u>10</u>	
		1,109		1,623
<b>EXPENDITURE</b>				
Rent collection fees	92		59	
Annual return fee	40		40	
Accountancy	<u>120</u>		<u>120</u>	
		252		219
		<u>857</u>		<u>1,404</u>
<b>SURPLUS FOR THE YEAR</b>				

**ARNEWOOD COURT**  
**SERVICE CHARGE ACCOUNTS**  
**31 December 2016**

**M J RHODES & CO**  
**Chartered Accountants**

**ARNEWOOD COURT  
SERVICE CHARGE ACCOUNTS**

**31 December 2016**

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**BALANCE SHEET**  
**31 December 2016**

	£	2016 £	£	2015 £
<b>CURRENT ASSETS</b>				
Bank reserve account	12,522		15,912	
Bank deposit account	-		9,160	
Cash held by managing agents	3,239		6,703	
Prepayments	3,650		3,508	
	<u>19,411</u>		<u>35,283</u>	
<b>CURRENT LIABILITIES</b>				
Due to company	-		24,286	
Maintenance charges in advance	1,466		1,099	
Accruals and deferred income	1,081		1,120	
	<u>2,547</u>		<u>26,505</u>	
<b>NET CURRENT ASSETS</b>		<u>16,864</u>		<u>8,778</u>
<b>REPRESENTED BY</b>				
Income and expenditure account		4,342		(7,134)
<b>Reserve fund :</b>				
Balance brought forward	15,912		13,308	
Transfer to income and expenditure account	(6,000)		-	
Transfer from income and expenditure account	<u>2,610</u>		<u>2,604</u>	
		12,522		15,912
		<u>16,864</u>		<u>8,778</u>

**ACCOUNTANTS REPORT**

We certify that in accordance with Section 21(5) and (6) of the Landlord and Tenants Act 1985, in our opinion the foregoing balance sheet and income and expenditure account set out on page 2 are a fair summary of the costs expended and outgoings disbursed, incurred or provided for by the lessor for the year being sufficiently supported by the accounts, receipts and other documents which have been produced to us.

**M J Rhodes & Co**  
Chartered Accountants  
8 Poole Hill  
Bournemouth  
BH2 5PS

**INCOME AND EXPENDITURE ACCOUNT**  
**For the year to 31 December 2016**

		2016		2015
	£	£	£	£
<b>INCOME</b>				
Service charges		38,115		38,115
Interest received		9		16
		<hr/>		<hr/>
		38,124		38,131
<b>EXPENDITURE</b>				
Water rates	5,285		6,208	
Electricity	2,226		1,303	
- prior year understated	250		-	
Insurance	4,272		4,214	
Insurance re-valuation	-		493	
Engineering insurance	510		510	
Liability insurance	180		172	
Repairs and maintenance	22,725		12,040	
Lift maintenance and repairs	5,877		720	
Gardening	2,550		2,662	
Cleaning	2,832		2,890	
Telephone	1,037		734	
Sundries	226		233	
Managing agents fees	5,410		5,385	
Secretarial fees	-		180	
Accountancy fees	324		312	
- prior year	300			
		<hr/>	<hr/>	
		54,004		38,056
<b>DEFICIT FOR THE YEAR</b>		<hr/>	<hr/>	
		(15,880)		75
Transfer to reserve fund		(2,610)		(2,604)
Transfer from reserve fund		6,000		-
Service charges refunded prior year		(9,160)		-
Transfer from limited company		33,126		-
Surplus brought forward		(7,134)		(4,605)
		<hr/>	<hr/>	
<b>Balance carried forward</b>		<u>4,342</u>		<u>(7,134)</u>

**NOTES TO THE ACCOUNTS**  
**For the year to 31 December 2016**

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**1) ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The accounts are prepared in accordance with the provisions of the lease and on the accruals basis.

Service charge monies are held on trust in accordance with section 42, Landlord & Tenant Act 1987. Interest earned on service charge monies held on deposit is taxable at the basic rate of income tax. The rate of tax applied to interest received during the year was 20%.

A sinking fund has been established towards the costs of major repairs, redecorations and other unexpected costs. Any shortfall in these funds resulting from expenditure incurred will either be collect by way of levy or be charges to the income and expenditure account in that year.

**ACCOUNTANTS REPORT TO THE DIRECTORS OF  
ARNEWOOD COURT**

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You have stated that an audit of the service charge accounts in accordance with International Standards on Auditing is not required under the terms of the lease.

In accordance with the terms of our engagement we have performed the procedures agreed with you and enumerated below with the respect of the attached service charge accounts for the year ended 31 December 2016 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to the company's directors as representatives of the landlord for issue with the service charge accounts in accordance with the terms of our engagement. Our work has been undertaken to enable us to make this report to the company's directors 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's directors for our work or for this report.

**Basis of report:**

Our work was carried out having regard to (Tech 01/11) Residential Service Charge Accounts published Jointly by the professional accountancy bodies with ARMA and RICS, in summary, the procedures we carried out with respect to the service charge accounts were:

1. We obtained the service charge accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of the company.
2. We checked, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected.
3. We checked whether the balance of service charge monies for this property shown on page 3 of the service charge accounts agreed or reconciled to the bank statements for the accounts in which the funds are held.

We were not required to, and did not, form any opinion as to either the reasonableness of the costs included within the service charge statements of the service or works provided.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards in Auditing (UK and Ireland) or International Standards on Review Engagements, we do not express any assurance on the service charge accounts other than in making the factual statements set out below. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, other matter might have come to our attention that would have been reported to you.

**Report of factual findings:**

1. With respect to item 1 we found the figures in the statement of account to have been extracted correctly from the accounting records.
- ii. With respect to item 2 we found that those entries in the accounting records that we checked were supported by receipts, other documentation or evidence that we inspected.
- iii) With respect to item 3 we found that the balance of service charge monies shown on page 3 of the service charge accounts agrees or reconciles to the bank statements for the accounts in which the funds are held.

M J Rhodes ACA  
M J Rhodes & Co  
Chartered Accountants  
8 Poole Hill  
Bournemouth  
BH2 5PS

Schedule to the accounts  
31 December 2016

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**Accruals and deferred income**

Cleaning	198
Gardening	205
Repairs and renewals - rubbish removal	120
Telephone	234
Accountancy	324
	<hr/>
	1,081

**Repairs and renewals**

	£
Drain maintenance	2,985
Terrace repairs	2,562
Internal redecorations	4,518
Roofing and inspections	360
Door system maintenance	415
Door maintenance, closers and locks	763
Balcony works	492
Water pressure test	65
Lighting	837
Gate maintenance	340
Window repairs	6,774
Aerial maintenance	408
Railing repairs	450
Rubbish removal	442
Damp inspection	250
Asbestos survey	55
Fire and buildings risk assessment	234
Dry riser inspections	594
Water leak	140
Signage	41
	<hr/>
	22,725