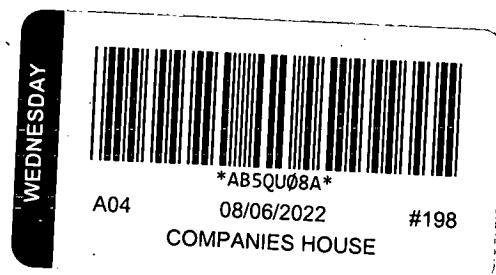


Registration number: 05505563

# Knightsbridge Residents Management Company Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



## **Knightsbridge Residents Management Company Limited**

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## **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>	London Registrars Ltd
<b>Registered office</b>	Suite A 6 Honduras Street London EC1Y 0TH
<b>Bankers</b>	HSBC Bank P.L.C. City of London Branch 60 Queen Victoria Street London EC4N 4TR
<b>Auditors</b>	MHA MacIntyre Hudson 2 London Wall Place London EC2Y 5AU

## **Knightsbridge Residents Management Company Limited**

### **Strategic Report for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

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

2021 has continued to be a challenging year for the Knightsbridge Resident Management Company Limited as it has for many other businesses and individuals. The continuing impact of Covid-19 over the 2020 and 2021 years has been difficult to manage. The change in the energy market at the end of 2021 has had a negative impact on costs which have risen sharply and unexpectedly.

The company has continued to focus on enhancing its position as the market leader in the residential property sector and the completion and re-opening of the Spa following the extensive refurbishment has enhanced the resident experience.

The company has an excellent reputation for overseeing the management of the premier luxury five-star deluxe residential estate in London. The company needs to always 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 reserves of £1,612,371 (2020 - £1,342,112) are the key financial indicators 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.

The age of the building required a planned renewal program as part of a 25-year plan to continually enhance the building for the benefit of the residents.

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

The directors have reviewed the principal risks and uncertainties facing the business. The changing energy market and the increasing costs of energy create uncertainty for the business. The fiscal plan allows for adjustments to be made to protect the residents from this uncertainty.

Due to the nature of the business, there remain no significant risks. The collection of resident debtor balance remains important to fund the annual expenditure budget. As a 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 2021

#### Future developments

The significant impact caused by the energy crisis means that careful planning is required with regards to project planning for 2022. Projects being undertaken include an upgrade of the access control system, a roll out of electric vehicle charging points and further investment into fire safety. On the horizon are a complete replacement and upgrade of the window cleaning cradles and the Building Management System.

The annual budget for the coming year, as in previous years, continues to focus on value for money on the provision of the day-to-day services meanwhile collecting further funds to invest in the improvement and enhancement of the five-star deluxe services provided and the estate as a whole.

Approved by the Board on 12/5/2022 and signed on its behalf by:



.....  
C J E Barrass  
Director

**Knightsbridge Residents Management Company Limited**

**Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

**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 by the Board on 12/5/2022 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 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 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 2021 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 2021; 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

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.

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.



However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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 all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **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 2021 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.

Based on our understanding of the company and industry, we considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed included:

- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management around actual and potential litigation and claims.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Reviewing minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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**

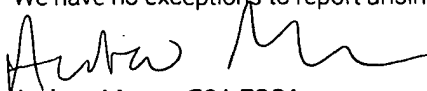
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other 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: 23 May 2022

# Knightsbridge Residents Management Company Limited

## Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Service fee	3	<u>9,150,914</u>	<u>9,150,914</u>
Operational costs		(6,492,835)	(6,598,687)
Reserve contribution		<u>(2,658,079)</u>	<u>(2,626,965)</u>
Administrative expenses		(9,150,914)	(9,225,652)
Other operating income		18,828	25,650
Other income	4	<u>-</u>	<u>74,738</u>
Operating profit	5	<u>18,828</u>	<u>25,650</u>
Profit before tax		18,828	25,650
Taxation	7	<u>(22)</u>	<u>(1,743)</u>
Profit for the financial year		<u><u>18,806</u></u>	<u><u>23,907</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 2021**

	2021 £	2020 £
Profit for the year	<u>18,806</u>	<u>23,907</u>
Total comprehensive income for the year	<u><u>18,806</u></u>	<u><u>23,907</u></u>

# Knightsbridge Residents Management Company Limited

(Registration number: 05505563)  
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	8	-	-
		-	-
<b>Current assets</b>			
Debtors	9	4,380,129	3,766,584
Cash at bank and in hand	10	8,604,513	8,441,827
		12,984,642	12,208,411
<b>Creditors: Amounts falling due within one year</b>	11	(11,372,070)	(10,866,098)
<b>Net current assets</b>		1,612,572	1,342,313
<b>Net assets</b>		1,612,572	1,342,313
<b>Capital and reserves</b>			
Called up share capital	12	201	201
Capital expenditure reserve		15,863	47,014
Major capital projects reserve		264,011	714,494
Sinking fund reserve		818,018	84,931
Retained earnings		514,479	495,673
<b>Total equity</b>		1,612,572	1,342,313

Approved and authorised by the Board on 12 May 2022 and signed on its behalf by:



C J E Barrass  
Director

The notes on pages 14 to 19 form an integral part of these financial statements. Page 11

**Knightsbridge Residents Management Company Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2021**

	Share capital £	Capital expenditure reserve £	Major capital projects reserve £	Sinking fund reserve £	Retained earnings and Service charges £	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
	Share capital £	Capital expenditure reserve £	Major capital projects reserve £	Sinking fund reserve £	Retained earnings £	Total £
At 1 January 2020	201	89,499	1,834,955	515,957	471,766	2,912,378
Profit for the year	-	-	-	-	23,907	23,907
Service fee less core expenditure	-	-	-	-	3,220,748	3,220,748
Service fee to reserves	-	368,018	1,564,570	694,377	(2,626,965)	-
Total comprehensive income	-	368,018	1,564,570	694,377	617,690	3,244,655
Movement in reserves	-	(150,000)	1,618,783	(875,000)	(593,783)	-
Reserve expenditure	-	(260,503)	(4,303,814)	(250,403)	-	(4,814,720)
At 31 December 2020	201	47,014	714,494	84,931	495,673	1,342,313

The notes on pages 14 to 19 form an integral part of these financial statements.  
Page 12

# Knightsbridge Residents Management Company Limited

## Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		18,806	23,907
Adjustments to cash flows from non-cash items			
Service fee less core expenditure		2,299,005	3,220,748
Reserve expenditure		(2,047,552)	(4,814,720)
Taxation	7	<u>22</u>	<u>1,743</u>
		270,281	(1,568,322)
Working capital adjustments			
(Increase)/decrease in trade debtors and prepayments	9	(622,452)	626,231
Increase in trade creditors, other creditors and accruals	11	63,588	312,238
Increase in deferred service fee		<u>442,362</u>	<u>-</u>
Cash generated from operations		153,779	(629,853)
Taxation received/(paid)		<u>8,907</u>	<u>(5,275)</u>
Net cash flow from operating activities		<u>162,686</u>	<u>(635,128)</u>
Net increase/(decrease) in cash and cash equivalents		162,686	(635,128)
Cash and cash equivalents at 1 January		<u>8,441,827</u>	<u>9,076,955</u>
Cash and cash equivalents at 31 December		<u><u>8,604,513</u></u>	<u><u>8,441,827</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 2021**

#### **1 General information**

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

The address of its registered office is:

Suite A  
6 Honduras Street  
London  
EC1Y 0TH

#### **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 UK and Republic of Ireland'.

##### **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**

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



## **Knightsbridge Residents Management Company Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **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 2021

#### 3 Service fee

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

	2021	2020
	£	£
Service fee	<u>9,150,914</u>	<u>9,150,914</u>

#### 4 Other Income

	2021	2020
	£	£
Job retention scheme income	<u>-</u>	<u>74,738</u>

#### 5 Operating profit/(loss)

The operating profit is stated after charging:

	2021	2020
	£	£
Operating lease costs	2,536	1,908
Directors' remuneration	206,426	206,534
Directors' pension	9,375	8,775
Fees paid to the auditor in respect of the audit of the company's accounts	22,000	16,830
Fees paid to the auditor in respect of other services	3,751	2,856
	<u>244,088</u>	<u>236,903</u>

#### 6 Staff costs

The aggregate payroll costs including directors were as follows:

	2021	2020
	£	£
Wages & salaries	2,564,833	2,406,239
Social security costs	290,079	269,954
Staff pensions	120,848	112,305
	<u>2,975,760</u>	<u>2,788,498</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.

## Knightsbridge Residents Management Company Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	<u>69</u>	<u>62</u>

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

#### 7 Taxation

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

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	22	1,181
UK corporation tax adjustment to prior periods	<u>-</u>	<u>562</u>
	<u>22</u>	<u>1,743</u>

	2021 £	2020 £
Profit before tax	<u>18,828</u>	<u>25,650</u>
Corporation tax at standard rate	3,577	4,873
Effect of profits exempt from taxation	(3,555)	(3,692)
Increase in UK and foreign current tax from adjustment for prior periods	<u>-</u>	<u>562</u>
Total tax charge	<u>22</u>	<u>1,743</u>

#### 8 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 2021

### 9 Debtors

	2021 £	2020 £
Prepayments	467,595	536,631
Corporate tax asset	-	8,907
Service fee receivable	3,912,333	3,220,845
Called up share capital not paid	201	201
	<u>4,380,129</u>	<u>3,766,584</u>

### 10 Cash and cash equivalents

Knightsbridge Residents Management Company Limited has cash at bank and in hand and cash equivalents of £8,604,513 (2020 - £8,441,827). Included within this balance are deposits totalling £5,186,425 (2020 - £5,182,149) which are held on behalf of the apartment owners. These funds can only be used where the payment of service charge is in default.

### 11 Creditors

	2021 £	2020 £
<b>Due within one year</b>		
Trade creditors	369,395	409,268
Other payables	5,305,272	5,378,490
Accruals	679,562	502,883
Corporate tax liability	22	-
Deferred service fee	5,017,819	4,575,457
	<u>11,372,070</u>	<u>10,866,098</u>

### 12 Share capital

#### Allotted and called up shares

	2021		2020	
	No.	£	No.	£
Ordinary B Shares of £1 each	<u>201</u>	<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 2021**

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

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than one year	1,717	2,290
Later than one year and not later than five years	-	1,717
	<u>1,717</u>	<u>4,007</u>

#### **14 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.

#### **15 Controlling Party**

There is no ultimate controlling party.

#### **16 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.