

4 - 9 Herschel Close RTM Company Limited

Report of the Directors and unaudited Financial Statements for the year ended

31 December 2019

Company limited by guarantee No 06448667

4 - 9 Herschel Close RTM Company Limited

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2019

INDEX

PAGE

| | |
|-------|-----------------------------------|
| 1 | REPORT OF THE DIRECTORS |
| 2 | INCOME STATEMENT |
| 3 | BALANCING STATEMENT |
| 4 - 5 | NOTES TO THE FINANCIAL STATEMENTS |

4 - 9 HERSCHEL CLOSE RTM COMPANY LIMITED
REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2019

The director submits his report together with the financial statements for the year ended 31st December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the company is to manage, maintain and administer land and buildings at 4 - 9 Herschel Close, Swindon. The company is a "Right To Manage" (RTM) company operating under the standard RTM Articles of Association as determined by the Commonhold and Leasehold Reform Act 2002.

BUSINESS REVIEW

During the year the company appointed a new gardener and a new cleaner. As a result, the grounds around the building have improved, as has the condition of the communal areas. Following a significant insurance claim the insurance premium increased substantially half way through the year on renewal. An apartment with service charge arrears was sold during the year at which point the arrears were recovered together with accrued interest.

During 2020 the company will seek to improve the internal areas. This will include replacing the ground floor carpet and cleaning the carpet on the first and second floors.

The service charge for the year to 31 December 2019 was £1,080 per property (2018: £862). In 2020 the service charge will be increased to £1,180 with a discount of £60 available if the total for the year is paid prior to 1 January 2020. The increase will help to establish reserves at a higher level to meet future maintenance costs including redecoration.

AUDIT

The company has taken advantage of The Companies Act 2006 (Audit Exemptions) Section 477.

SERVICE CHARGE ACCOUNTS

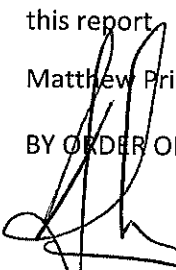
The director has produced the statutory accounts for the year on a consistent basis to show the service charge accounts passing through the company as it is considered that the company is acting as a principal rather than agent to the members.

DIRECTOR

The director shown below has held office during the whole of the period from 1 January 2019 to the date of this report.

Matthew Prime

BY ORDER OF THE BOARD


John R Morris FCMA CGMA MIRPM
Company Secretary
6 January 2020

Registered Office:

15 Windsor Road, Swindon, SN3 1JP

Registered in England No 06448667
www.herschelclose.rmcweb.site

4 - 9 HERSCHEL CLOSE RTM COMPANY LIMITED

Registered Number 06448667

Income Statement

For the year ended 31 December 2019

| | | 2019 | 2018 |
|--|-------|--------------|--------------|
| | Notes | £ | £ |
| TURNOVER | 3 | 6,420 | 4,872 |
| Administrative expenses | 11 | (5,375) | (5,196) |
| OPERATING SURPLUS | | 1,045 | (324) |
| Interest receivable and similar income | 7 | 222 | 43 |
| RETAINED SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR | 8 | 1,267 | (281) |

4 - 9 HERSCHEL CLOSE RTM COMPANY LIMITED


Registered Number 06448667

Balancing Statement as at 31 December 2019

| | Notes | 31st December 2019 | | 31st December 2018 | |
|--|-------|--------------------|---------------------|--------------------|---------------------|
| | | £ | £ | £ | £ |
| CURRENT ASSETS | | | | | |
| Cash at Bank | | 8,686 | | 5,025 | |
| Debtors | 4 | <u>781</u> | | <u>1,315</u> | |
| | | 9,467 | | 6,340 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 5 | <u>(3,349)</u> | | <u>(1,489)</u> | |
| <hr/> | | | | | |
| NET CURRENT ASSETS | | | 6,118 | | 4,851 |
| | | | | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u><u>6,118</u></u> | | <u><u>4,851</u></u> |
| | | | | | |
| RESERVES | | | | | |
| Service charge reserves | 8 | | 6,118 | | 4,851 |
| Leaseholders' Funds | | | <u><u>6,118</u></u> | | <u><u>4,851</u></u> |

- a. For the year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.
- b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- c. The directors acknowledge their responsibility for:
 - i. ensuring the company keeps accounting records which comply with Section 386; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

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



Matthew Prime - director

The financial statements were approved by the director on 6 January 2020.

4 - 9 HERSCHEL CLOSE RTM COMPANY LIMITED

Registered number 06448667

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2019

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with provisions applicable to companies subject to the small companies' regime and as required under section 21(5) of the Landlord & Tenant Act 1985 and the RICS Service Charge Residential Management Code.

2 STATUTORY INFORMATION

4 - 9 Herschel Close RTM Company Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Director's Report page.

3 TURNOVER

Turnover represents the amounts derived from the provision of services during the year, exclusive of value added tax.

| | <u>31.12.19</u> | <u>31.12.18</u> |
|-----------------|-----------------|-----------------|
| | £ | £ |
| Service charges | 6,120 | 4,812 |
| Other income | 300 | 60 |
| | <u>6,420</u> | <u>4,872</u> |

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>31.12.19</u> | <u>31.12.18</u> |
|--|-----------------|-----------------|
| | £ | £ |
| Trade debtors (<i>outstanding service charges</i>)* | - | 959 |
| Payments in advance (<i>prepaid insurance cover</i>) | 781 | 356 |
| | <u>781</u> | <u>1,315</u> |

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>31.12.19</u> | <u>31.12.18</u> |
|---|-----------------|-----------------|
| | £ | £ |
| Accrued expenses (costs not yet paid) | 659 | 469 |
| Other creditors | 450 | - |
| Service charges received from leaseholders in advance | 2,240 | 1,020 |
| | <u>3,349</u> | <u>1,489</u> |

6 TRANSACTIONS WITH DIRECTOR

| Matthew Prime | <u>31.12.19</u> | <u>31.12.18</u> |
|--|-----------------|-----------------|
| | £ | £ |
| Amount owing to company brought forward | - | - |
| Service charges incurred in year | 3,240 | 2,406 |
| Payments received by company | (3,240) | (2,406) |
| Amount owing to company at year-end | <u>0</u> | <u>0</u> |

7 INTEREST RECEIVABLE

| | <u>31.12.19</u> | <u>31.12.18</u> |
|--------------------------------------|-----------------|-----------------|
| | £ | £ |
| Bank interest | 67 | 43 |
| Interest received on overdue account | 155 | - |
| | <u>222</u> | <u>43</u> |

4 - 9 HERSCHEL CLOSE RTM COMPANY LIMITED

Registered number 06448667

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2019**8 SERVICE CHARGE RESERVES**

| | Total £ |
|--------------------------------|--------------|
| As at 1st January 2019 | 4,851 |
| Deficit for the year (note 11) | 1,267 |
| As at 31st December 2019 | <u>6,118</u> |

The director considers that the company should aim to maintain service charge reserves at a level similar to two years of service charge income to meet unexpected expenditure requirements.

| 9 Reconciliation of operating surplus to operating cash flows | <u>31.12.19</u> | <u>31.12.18</u> |
|---|-----------------|-----------------|
| | £ | £ |
| Operating surplus/(deficit) | 1,045 | (324) |
| Decrease/(increase) in debtors (note 4) | 534 | (356) |
| Increase in operating creditors (note 5) | 1,860 | 1,037 |
| Net cash inflow from operating activities | <u>3,439</u> | <u>357</u> |

| 10 Analysis of changes in cash during the year. | <u>31.12.19</u> | <u>31.12.18</u> |
|--|-----------------|-----------------|
| | £ | £ |
| Balance brought forward | 5,025 | 4,625 |
| Net cash inflow from operating activities (note 9) | 3,439 | 357 |
| Interest received (note 7) | 222 | 43 |
| Balance at year-end | <u>8,686</u> | <u>5,025</u> |

The following note does not form part of the statutory accounts:

| 11 Detailed Income and Expenditure | <u>31.12.19</u> | <u>31.12.18</u> |
|--|---------------------|---------------------|
| | Total £ | Total £ |
| Total Income (note 3) | 6,420 | 4,872 |
| Maintenance - electrical | (80) | (552) |
| Maintenance - other | (380) | (1,052) |
| Maintenance - door access control system | - | - |
| Window cleaning | (150) | (150) |
| Internal cleaning | (788) | (624) |
| Grounds maintenance | (1,202) | (528) |
| Communal electricity | (185) | (158) |
| Accountancy | (480) | (360) |
| Management fees | (1,270) | (1,210) |
| Insurance | (796) | (530) |
| Sundry | (31) | (12) |
| Companies House fee | (13) | (13) |
| Bank charges | - | (7) |
| | <u>(5,375)</u> | <u>(5,196)</u> |
| Operating surplus/(deficit) | <u>1,045</u> | <u>(324)</u> |
| Add interest received (note 7) | 222 | 43 |
| To service charge reserves (note 8) | <u>1,267</u> | <u>(281)</u> |