

# **R. Mead Phase 1 (Swindon) Management Company Limited**

Report of the Directors and Financial Statements for the Year Ended

31 December 2021  
Company Number 05467331

**R. Mead Phase 1 (Swindon) Management Company Limited**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2021**

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**R. Mead Phase 1 (Swindon) Management Company Limited - Registered number 05467331**

**REPORT OF THE DIRECTORS**

**YEAR ENDED 31ST DECEMBER 2021**

The directors submit their report together with the financial statements for the year ended 31st December 2021.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

**Principal activities**

The principal activities of the company are to manage, maintain and administer the land and leasehold buildings at Florey Court and Peony House, Old Town Swindon.

The company operates under the terms of:

A head lease entered into between the freeholder and the company.

The leases entered into between the company, leaseholders and the freeholder

The Memorandum and Articles of Association of the company.

The company's members are the leaseholders of the 79 apartments on the site. In order to meet the expenses of maintaining the site the company charge its members an annual Service Charge in accordance with the terms of their leases.

**Ground Rent:**

Ground rent is payable by leaseholders which has to be collected by the company and passed to the freeholder. (see note 11 for further details).

**Freehold Fund:**

The leases permit the company to collect payments towards a freehold fund to be used to purchase the freehold for the benefit of leaseholders. (see note 11 for further details).

**BUSINESS REVIEW**

Following the year end the directors terminated the services of the managing agent and appointed Block Management Ltd who are a professional local agent from 1 February 2022. The previous agent did not cooperate with the handover of records leading to a delay in producing these accounts as invoices for expenses incurred in 2021 were not provided until 23 August 2022. The directors have registered a complaint with the agent. Despite the lack of bank records these accounts have been prepared using the records currently available. The accounts have been prepared on a recognised accounting basis so that expenditure is allocated to the year in which it occurred. The amendments are summarised in note 11.

During 2022 the company opened a charge-free current bank account and an interest bearing deposit bank in its name to which funds were received from the previous managing agent. The recommendations of the latest fire risk assessment were implemented; this included decommissioning of the fire alarms, smoke sealing of risers and changing the locks of service cupboards that did not have keys to provide access. To improve the security of residents a door access control system and CCTV is being installed on the site. In particular the CCTV covers the main bin store which has been a target for anti-social behaviour and arson. The communal doors will also be replaced with secure steel doors as funds allow and the communal lighting is being replaced with modern integrated movement sensor and combined LED and emergency units. The car park numbers have been repainted with the corresponding apartment numbers to avoid the previous confusion and new notices posted in blocks to replace that of the previous two managing agents.

**SERVICE CHARGE ACCOUNTS**

The directors have produced the statutory accounts for the year to show the service charge accounts passing through the company as they consider the company is acting as a principal rather than agent to the members.

R. Mead Phase 1 (Swindon) Management Company Limited - Registered number 05467331

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2021

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of these accounts.

Andrew James Drinkwater  
Debra Jaye Evans  
Henning Tonsmann Madsen

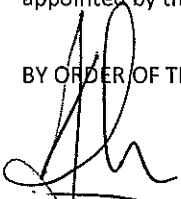
The director shown below held office from 1 January 2021 and retired prior to the date of these accounts.

Ian Patrick O'Regan - resigned 10 June 2022.

The directors wish to express their appreciation to Ian O'Regan for his services as a director up until the time of his resignation on the sale of his property.

Under the Articles of Association one third of directors must retire by rotation every three years together with any director appointed by the board since the previous members' meeting and may offer themselves for re-election.

BY ORDER OF THE BOARD



John R Morris FCMA CGMA MIRPM  
Company Secretary  
5 September 2022

Registered office:  
15 Windsor Road  
Swindon  
SN3 1JP

[www.florey.rmcweb.site](http://www.florey.rmcweb.site)

## **R. Mead Phase 1 (Swindon) Management Company Limited**

Registered number 05467331

### **Income Statement**

For the year ended 31 December 2021

		<b>31.12.21</b>	<b>31.12.20</b>
	Note	£	£
Turnover	3	100,606	121,521
Operating charges	10	(87,896)	(96,448)
<b>Operating surplus</b>		<b>12,710</b>	<b>25,073</b>
Interest receivable	6	0	0
<b>Retained surplus for the year</b>	7	<b>12,710</b>	<b>25,073</b>

## R. Mead Phase 1 (Swindon) Management Company Limited

Registered number 05467331

### Balancing Statement

	Notes	31.12.21		31.12.20	
		£	£	£	£
<b>Current Assets</b>					
Cash at Bank		37,310		28,684	
Debtors	4	<u>17,044</u>		<u>17,397</u>	
		54,354		46,081	
<b>Creditors:</b>					
<b>Amounts falling due within one year</b>	5	(5,269)		(9,706)	
Net Current Assets			<u>49,085</u>	<u>36,375</u>	
Total Assets Less Current Liabilities			<u><u>49,085</u></u>	<u><u>36,375</u></u>	
<b>Capital and Reserves</b>					
Leaseholders' reserves:					
Service charge reserve	7		48,243	36,375	
Freehold fund	7		842	-	
<b>Total leaseholders' funds</b>			<u><u>49,085</u></u>	<u><u>36,375</u></u>	

For the year ending 31 December 2021 the company was entitled to exemption under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for:

- ensuring the company keeps accounting records which comply with Section 386 and 387 of the Company's Act 2006 and
- 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 each financial year, in accordance with the requirements of section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, 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.

The financial statements were approved by the board of directors on 5 September 2022 and were signed on its behalf by:



Debra Jayne Evans - Director

**R. Mead Phase 1 (Swindon) Management Company Limited - Registered number 05467331****NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2021****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.

The financial statements for the previous period were not prepared in accordance with applicable accounting standards or as required under section 21(5) of the Landlord & Tenant Act 1985 and the RICS Service Charge Residential Management Code. Therefore, the directors have restated the comparative accounts for the previous year on a consistent basis. (see note 11 d)

**2 STATUTORY INFORMATION**

R. Mead Phase 1 (Swindon) Management Company Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered office address can be found on the Directors' Report page.

The average number of employees during the year was : none (2020: none)

**3 TURNOVER**

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

	<u>31.12.21</u>	<u>31.12.20</u>
	£	£
Service Charges:	83,673	105,430
Ground Rent	16,091	16,091
Freehold Fund	842	-
Total receivable	<u>100,606</u>	<u>121,521</u>

**4 DEBTORS**

	<u>31.12.21</u>	<u>31.12.20</u>
	£	£
Trade debtors (outstanding service charges)	10,642	11,013
Prepaid expenses (insurance premium)	6,402	6,384
	<u>17,044</u>	<u>17,397</u>

**5 CREDITORS: Amounts falling due within one year**

	<u>31.12.21</u>	<u>31.12.20</u>
	£	£
Accrued expenses (expenses incurred but not paid until the following period)	3,931	7,112
Service charges received from leaseholders in advance	1,338	2,594
	<u>5,269</u>	<u>9,706</u>

**6 INTEREST RECEIVABLE**

	<u>31.12.21</u>	<u>31.12.20</u>
	£	£
Bank interest receivable	0	0

No interest has been received on service charge funds held by the managing agents for 2021 (2020: none). The reserve funds are now held in a deposit account in the company's name with Aldermore Bank earning interest (at a rate of 1.25% as of the date of signing these accounts).

**7 RECONCILIATION OF RESERVES**

	Total	Service Charge	Freehold fund
	£		
Balance brought forward (see note 11 d)	36,375	36,375	-
Retained surplus for the year	12,710	11,868	842
Balance at year-end	<u>49,085</u>	<u>48,243</u>	<u>842</u>

**SERVICE CHARGE RESERVE POLICY**

The directors consider it is prudent to aim to hold a reserve of at least two years Service Charges income to meet large irregular items of expenditure without the need for large variations in the level of Service Charges from year to year.

**FREEHOLD FUND**

See note 11 b)

**R. Mead Phase 1 (Swindon) Management Company Limited - Registered number 05467331**

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2021**

<b>8 Reconciliation of operating surplus to operating cash flows</b>	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	£	£
Operating surplus	12,710	25,073
Decrease/(increase) in debtors (note 4)	353	(11,242)
Decrease in operating creditors (note 5)	(4,437)	(5,195)
<b>Net cash inflow from operating activities</b>	<b><u>8,626</u></b>	<b><u>8,636</u></b>

<b>9 Analysis of changes in cash during the year.</b>	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	£	£
Balance brought forward	28,684	20,048
Net cash inflow (note 9)	8,626	8,636
Interest received (note 6)	0	0
<b>Balance at year-end</b>	<b><u>37,310</u></b>	<b><u>28,684</u></b>

The following note does not form part of the statutory financial statements:

<b>10 Detailed Income &amp; Expenditure</b>	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	£	£
Total income (note 3)	100,606	121,521
Less:		
Ground rent paid to freeholder	(16,091)	(16,091)
Freehold fund to reserves (note 7)	(842)	
<b>Service charge income</b>	<b><u>83,673</u></b>	<b><u>105,430</u></b>
Service charge expenditure:		
Grounds maintenance	(3,480)	(3,089)
Refuse management	(3,117)	(4,698)
Electrical maintenance	(1,285)	(1,175)
Cleaning	(4,200)	(7,704)
Maintenance - building	(3,335)	(6,548)
Fire Alarms/AOVs	(4,164)	(5,657)
Door entry	(468)	(158)
Maintenance - roof	-	(1,512)
Redecoration	(572)	-
Window cleaning	-	(1,750)
Insurance - buildings	(27,291)	(26,991)
Insurance - directors & officers	(219)	(247)
Insurance - building revaluation	(150)	-
Communal electricity	(3,137)	(2,909)
Accounts	(720)	(480)
Management agent fees	(17,490)	(15,855)
Professional fees	(1,604)	(1,051)
Company registration fees	(13)	(13)
Bank charges	(301)	(161)
Sundry	(259)	(359)
<b>Total expenditure</b>	<b><u>(71,805)</u></b>	<b><u>(80,357)</u></b>
Operating surplus (excluding freehold fund)	<u>11,868</u>	<u>25,073</u>
Add interest receivable (note 6)	0	0
<b>Surplus transferred to reserves (note 7)</b>	<b><u>11,868</u></b>	<b><u>25,073</u></b>

**R. Mead Phase 1 (Swindon) Management Company Limited - Registered number 05467331**

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2021**

**11 OTHER INFORMATION**

**a) Ground Rent**

The freehold of the site is owned by Furatto Limited (Company No. 08939347) who purchased the site for £193,097 which is 12 times the annual ground rent charged. The site includes 79 apartments of which 2 are one-bed and 77 two-bed held on leases granted for 150 years from 1 October 2004. The initial ground rent was £100 a year for a one-bed apartment and £150 a year for a two-bed apartment payable two equal instalments in advance on 1 January and 1 July each year. The ground rent increases every 10 years in line with the increase in Retail Price Inflation. On 1 October 2014 the ground rent increased to £136.28 for a one-bed and £205.44 for a two-bed per annum and is due to next increase in line with the Index of Retail Price Inflation over the ten years to 1 October 2024.

**b) Freehold Fund**

The leases provide an option for the company to purchase the freehold revision collectively on behalf of leaseholders. This would eliminate ground rent and allow the lease term to be extended (normally to 999 years). The option is available at a "Purchase Price" being the total amount of ground rent payable at the time the option is exercised multiplied by 12. The Sixth Schedule s12 of the lease states that a sum not exceeding 15% of the service charge in any year (excluding this provision) may be charged and collected as a fund for purchasing the freehold of the site.

**c) Service Charges**

The company appointed Block Management Ltd, a professional local managing agent to manage the site on its behalf on 1 February 2022. The managing agent has established a website at [www.florey.rmcweb.site](http://www.florey.rmcweb.site) and advises the company on the level of service charges based on forecast expenditure and reserve transfers.

**d) Reconciliation of reserves**

In order to prepare these accounts on an accruals basis in accordance with accounting convention (see note 1) the opening reserves as at 1 January 2020 have been re-stated to remove costs incurred in 2021 as follows:

		£
Reserves originally reported by previous agent at 31 December 2020		25,263
Addition of pre-paid insurance 1 January 2021 to 24 March 2021		6,384
Expenses incurred in 2021 but previously charged in 2020		
Fire Risk Assessment January 2021	720	
Fire alarm service January 2021	446	
Smoke vent service January 2021	1,442	
Electrical inspection March 2021	<u>2,120</u>	4,728
Opening reserves as at 31 December 2020		<u><u>36,375</u></u>

**e) Commissions and kick-back declaration**

No commission or kick-backs of any kind are received by the managing agent appointed on 1 February 2022 or the company directors.