

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

Report of the Directors and Financial Statements for the Year Ended

31 December 2022

Company Number 05467331

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

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2022**

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

**REPORT OF THE DIRECTORS**

**YEAR ENDED 31ST DECEMBER 2022**

The directors submit their report together with the financial statements for the year ended 31st December 2022.

**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**

On 1 February 2022 the directors terminated the services of the previous managing agent and appointed Block Management Ltd who are a professional local agent. The previous agent did not cooperate with the handover and the directors registered a complaint with the property ombudsman which remains ongoing.

During the year the company opened a charge-free current bank account and an interest bearing deposit bank in its name. The recommendations of the most recent fire risk assessment were implemented; including 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 was installed to all the communal doors and a CCTV system installed to cover the site. In particular the CCTV covers the main bin store which has been a target for anti-social behaviour and arson. The first of the communal doors was replaced with secure steel doors with the intention that the other doors will be replaced during the next three years. The communal lighting is being replaced with modern integrated movement sensor and combined LED and emergency units. The car park numbers were repainted with the corresponding apartment numbers to avoid the previous confusion and new notices posted in blocks to replace those of the previous two managing agents.

As the freeholder failed to respond to the company's requests to nominate an insurer the building's insurance policy was not placed through the freeholder's insurance agent during the year. To this end a new RTM Company was registered and the directors are hoping to obtain the 50% minimum leaseholder membership required which will allow the company to continue to avoid using the freeholder's more expensive insurance.

**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 2022

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of these accounts.

Andrew James Drinkwater  
Debra Jaye Evans  
Henning Tonsmann Madsen

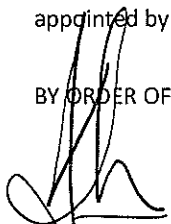
The director shown below held office from 1 January 2022 and retired prior to the date of these accounts.

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  
2 January 2023

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 2022**

		<b>31.12.22</b>	<b>31.12.21</b>
	Note	£	£
Turnover	3	116,591	100,606
Operating charges	10	(100,991)	(87,896)
<b>Operating surplus</b>		<b>15,600</b>	<b>12,710</b>
Interest receivable	6	566	0
<b>Retained surplus for the year</b>	7	<b>16,166</b>	<b>12,710</b>

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

Registered number 05467331

### Balancing Statement

	Notes	31.12.22		31.12.21	
		£	£	£	£
<b>Current Assets</b>					
Cash at Bank		95,384		37,310	
Debtors	4	9,415		17,044	
		<u>104,799</u>		<u>54,354</u>	
<b>Creditors:</b>					
Amounts falling due within one year	5	(39,548)		(5,269)	
Net Current Assets			<u>65,251</u>	<u>49,085</u>	
Total Assets Less Current Liabilities			<u><u>65,251</u></u>	<u><u>49,085</u></u>	
<b>Capital and Reserves</b>					
Leaseholders' reserves:					
Service charge reserve	7		56,509	48,243	
Freehold fund	7		8,742	842	
Total leaseholders' funds			<u><u>65,251</u></u>	<u><u>49,085</u></u>	

For the year ending 31 December 2022 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 2 January 2023 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 2022**

**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.

**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 (2021: none)

**3 TURNOVER**

Turnover represents the amounts derived from the provision of services during the year, exclusive of value added tax, plus collection of ground rent and contributions to a freehold purchase fund as detailed below.

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Service Charges:	92,600	83,673
Ground Rent	16,091	16,091
Freehold Fund	7,900	842
Total receivable	<u>116,591</u>	<u>100,606</u>

**4 DEBTORS**

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Trade debtors (outstanding service charges)*	1,273	10,642
Prepaid expenses (insurance premium)	8,142	6,402
	<u>9,415</u>	<u>17,044</u>

*No 43; £3, No 50; £1,269, No 60 £1,*

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

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Accrued expenses (expenses incurred but not paid until the following period)	19,475	3,931
Service charges received from leaseholders in advance	20,073	1,338
	<u>39,548</u>	<u>5,269</u>

**6 INTEREST RECEIVABLE**

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Bank interest receivable	566	0

**7 RECONCILIATION OF RESERVES**

	Total	Service Charge	Freehold fund
	£		
Balance brought forward (see note 11 d)	49,085	48,243	842
Retained surplus for the year	16,166	8,266	7,900
Balance at year-end	<u>65,251</u>	<u>56,509</u>	<u>8,742</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 2022**

<b>8 Reconciliation of operating surplus to operating cash flows</b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	£	£
Operating surplus	15,600	12,710
Decrease in debtors (note 4)	7,629	353
Increase/(decrease) in operating creditors (note 5)	34,279	(4,437)
<b>Net cash inflow from operating activities</b>	<b><u>57,508</u></b>	<b><u>8,626</u></b>

<b>9 Analysis of changes in cash during the year.</b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	£	£
Balance brought forward	37,310	28,684
Net cash inflow (note 9)	57,508	8,626
Interest received (note 6)	566	0
<b>Balance at year-end</b>	<b><u>95,384</u></b>	<b><u>37,310</u></b>

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

<b>10 Detailed Income &amp; Expenditure</b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	£	£
Total income (note 3)	116,591	100,606
Less:		
Ground rent payable to freeholder	(16,091)	(16,091)
Freehold fund to reserves (note 7)	(7,900)	(842)
<b>Service charge income</b>	<b>92,600</b>	<b>83,673</b>
Service charge expenditure:		
Grounds maintenance	(3,150)	(3,480)
Site maintenance	(473)	-
Refuse management	(2,367)	(3,117)
Electrical maintenance	(1,669)	(1,285)
Cleaning	(4,175)	(4,200)
Maintenance - building	(5,112)	(3,335)
Maintenance - CCTV	(2,391)	-
Maintenance - communal TV system	(1,375)	-
Maintenance - new communal door	(3,224)	-
Fire Alarms/AOVs	(1,642)	(4,164)
Door entry	(12,609)	(468)
Redecoration	-	(572)
Insurance - buildings	(23,315)	(27,291)
Insurance - directors & officers	(237)	(219)
Insurance - building revaluation	-	(150)
Communal electricity	(3,752)	(3,137)
Accounts	(720)	(720)
Management agent fees	(14,243)	-
Management agent - previous agent fee in lieu of notice	(4,252)	(17,490)
Professional fees	-	(1,604)
Companies House and ICO fees	(48)	(13)
Bank charges	-	(301)
Sundry	(146)	(259)
<b>Total expenditure</b>	<b><u>(84,900)</u></b>	<b><u>(71,805)</u></b>
Operating surplus (excluding freehold fund)	7,700	11,868
Add interest receivable (note 6)	566	0
<b>Surplus transferred to reserves (note 7)</b>	<b><u>8,266</u></b>	<b><u>11,868</u></b>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2022**

**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.rmweb.site](http://www.florey.rmweb.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 at 1 January 2020 were 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.