

Haydon Court (North) Residents Company Limited

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

30 September 2021
Company No 01179854

Haydon Court (North) Residents Company Limited

FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2021

INDEX

PAGE

1	REPORT OF THE DIRECTORS
2	INCOME STATEMENT
3	BALANCING STATEMENT
4 - 6	NOTES TO THE FINANCIAL STATEMENTS

HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 30th SEPTEMBER 2021

The directors submit their report together with the financial statements for the year ended 30th September

PRINCIPAL ACTIVITIES

The principal activity of the company is to manage, maintain and administer land and buildings at Helmsdale, Swindon. The company operates on behalf of the leaseholders who are members of the company in accordance with the terms of the leases and relevant company law.

BUSINESS REVIEW

During the year the external doors were redecorated, repairs were made to porches and a fire risk assessment

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.

DIRECTORS

The directors shown below held office from 1 October 2020 to the date of this report.

James Phillip D'Avilla
Alan Parker
Lynne Sidney

The director shown below was appointed during the year.

Darryl James Kiy - appointed 2 July 2021

BY ORDER OF THE BOARD



John Robert Morris FCMA CGMA MIRPM
Company Secretary
11 October 2021

Registered Office:
15 Windsor Road
Swindon
SN3 1JP

Registered in England No 01179854
www.helmsdale.rmcweb.site

HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

Registered Number 01179854

Income Statement

For the year ended 30 September 2021

		2021	2020
	Notes	£	£
TURNOVER	3	26,859	25,422
Administrative expenses	10	(16,917)	(16,784)
OPERATING SURPLUS		<u>9,942</u>	<u>8,638</u>
Interest receivable and similar income	6	384	389
RETAINED SURPLUS FOR THE FINANCIAL YEAR	7	<u><u>10,326</u></u>	<u><u>9,027</u></u>

HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

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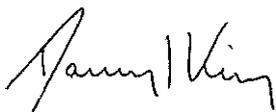
Balancing Statement as at 30 September 2021

	Notes	30th September 2021		30th Septembere 2020	
		£	£	£	£
CURRENT ASSETS					
Cash at Bank		42,450		36,345	
Debtors	4	<u>5,552</u>		<u>4,973</u>	
		48,002		41,318	
CREDITORS					
Amounts falling due within one year	5	(5,239)		(8,881)	
NET CURRENT ASSETS			42,763		32,437
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>42,763</u></u>		<u><u>32,437</u></u>
RESERVES					
Called up share capital			24		24
Designated reserve (roof fund)	7		21,600		16,800
Service charge reserves	7		21,139		15,613
Leaseholders' Funds			<u><u>42,763</u></u>		<u><u>32,437</u></u>

- a. For the year ending 30 September 2021 the company was entitled to exemption 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.

The financial statements were approved by the board of directors on 11 October 2021 and signed on their behalf by:



Darryl James Kiy - Director

HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

Registered Number 01179854

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 30th SEPTEMBER 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 and as required under section 21(5) of the Landlord & Tenant Act 1985 and the RICS Service Charge Residential Management Code.

2 STATUTORY INFORMATION

Haydon Court (North) Residents Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and 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>30.09.21</u>	<u>30.09.20</u>
	£	£
Service charges	25,440	24,000
Ground rents	1,419	1,422
	<u>26,859</u>	<u>25,422</u>

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>30.09.21</u>	<u>30.09.20</u>
	£	£
Trade debtors* - <i>money owed as outstanding Service Charges</i>	3,503	3,039
Other debtors	6	6
Payments made in advance	2,043	1,928
	<u>5,552</u>	<u>4,973</u>

* No 111 £958; No 123 £52; No 131 £58; No 139 £2,435

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>30.09.21</u>	<u>30.09.20</u>
	£	£
Accrued expenses - <i>costs incurred but not yet paid</i>	2,380	1,712
Deferred income - <i>ground rent premiums</i>	1,064	1,118
Service charges received from leaseholders in advance	1,795	6,051
	<u>5,239</u>	<u>8,881</u>

6 INTEREST RECEIVABLE

	<u>30.09.21</u>	<u>30.09.20</u>
	£	£
Bank interest	197	250
Interest on overdue service charges	187	139
	<u>384</u>	<u>389</u>

The following notes do not form part of the statutory accounts:

HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

Registered Number 01179854

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 30th SEPTEMBER 2021

7 SERVICE CHARGE RESERVES	Total	Service Charges allocated as:	
		Designated	Non-Designated
	£	£	£
As at 1st October 2020	32,413	16,800	15,613
Surplus for the year (note 11)	10,326	4,800	5,526
As at 30th September 2021	42,739	21,600	21,139

The designated reserve is a sinking fund established in 2017 to provide funds to maintain the flat roofs. The directors consider that at the current rate of funding the reserve fund will not be sufficient to meet the costs of the next re-roofing works until about 2029 when the fund will be approximately £60,000.

The non-designated reserve is designed to cover unexpected expenditure requirements and temporary income deficiencies so that service charges should not change significantly from year to year. The directors consider that the company should aim to maintain non-designated reserves at level similar to two years of service charge income.

8 Reconciliation of operating surplus to operating cash flows	30.09.21	30.09.20
	£	£
Operating surplus	9,942	8,638
Increase in debtors (note 4)	(579)	(1,280)
(Decrease)/increase in operating creditors (note 5)	(3,642)	3,089
Net cash inflow from operating activities	5,721	10,447

9 Analysis of changes in cash during the year.	30.09.21	30.09.20
	£	£
Balance brought forward	36,345	25,509
Net cash inflow from operating activities (note 8)	5,721	10,447
Interest received (note 6)	384	389
Balance at year-end	42,450	36,345

10 Detailed Income and Expenditure	30.09.21	30.09.20
	Total	Total
	£	£
Total Income (note 3)	26,859	25,422
Maintenance - electrical	(546)	(200)
Maintenance - other	(2,056)	(2,758)
Window cleaning	(420)	(420)
Cleaning - internal areas	(1,428)	(1,428)
Grounds maintenance	(3,260)	(3,534)
Communal electricity	(281)	(202)
Fire Risk report	(300)	-
Accountancy	(720)	(720)
Management fees	(3,580)	(3,340)
Insurance	(2,859)	(2,662)
Companies House fee	(13)	(13)
Sundries - including postage and meeting room hire	(24)	(77)
Ground rent (note 11)	(1,430)	(1,430)
Total expenditure	(16,917)	(16,784)
Operating surplus	9,942	8,638
Add interest receivable (note 6)	384	389
Surplus prior to transfer to reserves	10,326	9,027
Transfer to designated roof fund (note 7)	(4,800)	(4,800)
To service charge reserves (note 7)	5,526	4,227

HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

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11 Other Information

Ground Rent

The company holds a head lease (a rental agreement for the site) with the freeholder that runs from 24 June 1974 for 99 years and ten days to 3 July 2073. Ground rent was payable by the company to the freeholder in advance on quarter days each year at £1,560 a year (24 apartments x £65) until 2039 when the ground rent increased to £2,880 a year (£120 per apartment) until the end of the lease.

The 24 apartments have leases with the company that originally all ran from 24 June 1974 for 99 years until 23 June 2073. Ground rent is payable by leaseholders to the company in advance on quarter days each year, at £65 a year until 2039 when the ground rent increases to £120 a year per apartment until the end of the lease.

The freeholder entered into a 90 year statutory lease extension with 2 of the 24 leaseholders reducing their ground rent to a peppercorn (£0.00). However, the freeholder failed to change the ground rent due from the company under the head lease. Following their appointment, the current managing agents arranged for the freeholder to enter into a deed of variation to correct the error. The freeholder refunded the excess payments charged to the company and reduced the annual ground rent collected from the company to £1,430 which is equal to 22 leases at £65 a year.

Subsequent lease extension

A leaseholder subsequently extended their lease by 90 years with a peppercorn (£0.00) ground rent by paying a premium to the freeholder and the total ground rent payable by the company under the head lease remained unchanged. A sum of £1,236 being part of the premium paid by the leaseholder to the freeholder, was passed to the company as compensation for the loss of future ground rent income from that apartment. This sum received is shown in the accounts as deferred income in Debtors. At the end of the year the deferred income receivable had reduced to £1,117.94 (2020: £1,174.94). This amount is less than the remaining ground rent due on the lease and is discounted over the remaining term of the lease. The difference between the deferred income released and the ground rent paid to the freeholder was a shortfall of £11.45 (2020: £7.87). This shortfall will increase each year. The shortfall in ground rent is paid equally by all leaseholders as part of their service charge regardless of whether they have extended their leases.

Service charges

The leaseholders have appointed a professional local managing agent to manage the site on their behalf. The managing agent advises the company on the level of service charges based on forecast expenditure.

No commissions or kick-backs of any kind are received by the managing agent or any of the directors.