

Haydon Court (North) Residents Company Limited

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

30 September 2022
Company No 01179854

Haydon Court (North) Residents Company Limited

FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2022

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HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 30th SEPTEMBER 2022

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 internal lighting was upgraded in line with the recommendations of the fire risk assessment to incorporate emergency lighting.

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 2021 to the date of this report.

James Phillip D'Avilla
Darryl James Kiy
Alan Parker
Lynne Sidney

BY ORDER OF THE BOARD



John Robert Morris FCMA CGMA MIRPM
Company Secretary
9 October 2022

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 2022

		2022	2021
	Notes	£	£
TURNOVER	3	27,815	26,859
Administrative expenses	10	(18,070)	(16,917)
OPERATING SURPLUS		<u>9,745</u>	<u>9,942</u>
Interest receivable and similar income	6	376	384
RETAINED SURPLUS FOR THE FINANCIAL YEAR	7	<u><u>10,121</u></u>	<u><u>10,326</u></u>

HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

Registered Number 01179854

Balancing Statement as at 30 September 2022	Notes	30th September 2022		30th September 2021	
		£	£	£	£
CURRENT ASSETS					
Cash at Bank		59,219		42,450	
Debtors	4	<u>2,124</u>		<u>5,552</u>	
		61,343		48,002	
CREDITORS					
Amounts falling due within one year	5	(8,459)		(5,239)	
NET CURRENT ASSETS			52,884		42,763
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>52,884</u></u>		<u><u>42,763</u></u>
RESERVES					
Called up share capital			24		24
Designated reserve (roof fund)	7		26,400		21,600
Service charge reserves	7		26,460		21,139
Leaseholders' funds			<u><u>52,884</u></u>		<u><u>42,763</u></u>

- a. For the year ending 30 September 2022 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 9 October 2022 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 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 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 (2021: none)

3 TURNOVER

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

	<u>30.09.22</u>	<u>30.09.21</u>
	£	£
Service charges	26,400	25,440
Ground rents	1,415	1,419
	<u>27,815</u>	<u>26,859</u>

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>30.09.22</u>	<u>30.09.21</u>
	£	£
Trade debtors* - <i>money owed as outstanding Service Charges</i>	478	3,503
Other debtors	-	6
Payments made in advance - <i>prepaid insurance</i>	1,646	2,043
	<u>2,124</u>	<u>5,552</u>

* No 111, £403; No 123, £75

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>30.09.22</u>	<u>30.09.21</u>
	£	£
Accrued expenses - <i>costs incurred but not yet paid</i>	1,132	2,380
Deferred income - <i>ground rent premiums</i>	1,014	1,064
Service charges received from leaseholders in advance	6,313	1,795
	<u>8,459</u>	<u>5,239</u>

6 INTEREST RECEIVABLE

	<u>30.09.22</u>	<u>30.09.21</u>
	£	£
Bank interest	376	197
Interest on overdue service charges	-	187
	<u>376</u>	<u>384</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 2022

7 SERVICE CHARGE RESERVES	Total	Service Charges allocated as:	
		Designated	Non-Designated
	£	£	£
As at 1st October 2021	42,739	21,600	21,139
Surplus for the year (note 11)	10,121	4,800	5,321
As at 30th September 2022	52,860	26,400	26,460

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 of £4,800 a year the reserve fund will be insufficient to meet the costs of the next re-roofing works in about 2029 and have agreed to increase the transfer to reserves to £6,000 a year from next year. This will produce a reserve fund of £68,400 by September 2029.

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	30.09.22	30.09.21
	£	£
Operating surplus	9,745	9,942
Decrease/(increase) in debtors (note 4)	3,428	(579)
Increase/(decrease) in operating creditors (note 5)	3,220	(3,642)
Net cash inflow from operating activities	16,393	5,721

9 Analysis of changes in cash during the year.	30.09.22	30.09.21
	£	£
Balance brought forward	42,450	36,345
Net cash inflow from operating activities (note 8)	16,393	5,721
Interest received (note 6)	376	384
Balance at year-end	59,219	42,450

10 Detailed Income and Expenditure	30.09.22	30.09.21
	Total	Total
	£	£
Total Income (note 3)	27,815	26,859
Maintenance - electrical	(1,063)	(546)
Maintenance - roof repairs	(440)	-
Maintenance - other	(2,516)	(2,056)
Window cleaning	(420)	(420)
Cleaning - internal areas	(1,428)	(1,428)
Grounds maintenance	(2,917)	(3,260)
Fly-tipping	(185)	-
Communal electricity	(282)	(281)
Fire Risk report	-	(300)
Accountancy	(720)	(720)
Management fees	(3,720)	(3,580)
Insurance - buildings	(2,772)	(2,772)
Insurance - directors & officers	(118)	(87)
Companies House fee	(13)	(13)
Sundries - including postage and meeting room hire	(46)	(24)
Ground rent (note 11)	(1,430)	(1,430)
Total expenditure	(18,070)	(16,917)
Operating surplus	9,745	9,942
Add interest receivable (note 6)	376	384
Surplus prior to transfer to reserves	10,121	10,326
Transfer to designated roof fund (note 7)	(4,800)	(4,800)
To service charge reserves (note 7)	5,321	5,526

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 increases 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 its appointment, the current managing agent arranged for the freeholder to enter into a deed of variation to correct this error. The freeholder refunded the excess ground rent 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. The 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 £1,014.18 (2021: £1,064.38). This amount is less than the remaining ground rent due on the lease as it 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 £14.80 (2021: £11.45). This shortfall will increase each year. The shortfall in ground rent is included in expenditure and 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.

Commissions and kickbacks

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