

Haydon Court (North) Residents Company Limited

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

30 September 2024
Company No 01179854

Haydon Court (North) Residents Company Limited

FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2024

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HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 30th SEPTEMBER 2024

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.

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 2023 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 MTPI
Company Secretary
8 October 2024

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 2024

		2024	2023
	Notes	£	£
TURNOVER	3	29,963	28,868
Administrative expenses	10	(19,265)	(19,143)
OPERATING SURPLUS		10,698	9,725
Interest receivable and similar income	6	1,851	1,117
RETAINED SURPLUS FOR THE FINANCIAL YEAR	7	12,549	10,842

HAYDON COURT(NORTH) RESIDENTS COMPANY LIMITED

Registered Number 01179854

Balancing Statement as at 30 September 2024

	Notes	30th September 2024		30th September 2023	
		£	£	£	£
CURRENT ASSETS					
Cash at Bank		81,711		71,012	
Debtors	4	<u>4,257</u>		<u>1,998</u>	
		85,968		73,010	
CREDITORS					
Amounts falling due within one year	5	(9,693)		(9,284)	
NET CURRENT ASSETS			76,275		63,726
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>76,275</u></u>		<u><u>63,726</u></u>
RESERVES					
Called up share capital			24		24
Designated reserve (roof fund)	7		38,400		32,400
Service charge reserves	7		37,851		31,302
Leaseholders' funds			<u><u>76,275</u></u>		<u><u>63,726</u></u>

a. For the year ending 30 September 2024 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 8 October 2024 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 2024**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 (2023: none)

3 TURNOVER

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

	<u>30.09.2024</u>	<u>30.09.2023</u>
	£	£
Service charges	28,560	27,456
Ground rents	1,403	1,412
	<u>29,963</u>	<u>28,868</u>

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>30.09.2024</u>	<u>30.09.2023</u>
	£	£
Trade debtors* - <i>money owed as outstanding Service Charges</i>	2,081	55
Payments made in advance - <i>prepaid insurance</i>	2,176	1,943
	<u>4,257</u>	<u>1,998</u>

* No 111 £482, No 123 £6, No 133 £199; No 139, £1,394.

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>30.09.2024</u>	<u>30.09.2023</u>
	£	£
Accrued expenses - <i>costs incurred but not yet paid</i>	3,169	2,197
Deferred income - <i>ground rent premiums</i>	4,243	4,411
Service charges received from leaseholders in advance	2,281	2,676
	<u>9,693</u>	<u>9,284</u>

6 INTEREST RECEIVABLE

	<u>30.09.2024</u>	<u>30.09.2023</u>
	£	£
Bank interest	1,851	1,117

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 2024

7 SERVICE CHARGE RESERVES	Total	Service Charges allocated as:	
		Designated	Non-Designated
	£	£	£
As at 1st October 2023	63,702	32,400	31,302
Surplus for the year (note 11)	12,549	6,000	6,549
As at 30th September 2024	76,251	38,400	37,851

See note 11

8 Reconciliation of operating surplus to operating cash flows	30.09.2024	30.09.2023
	£	£
Operating surplus	10,698	9,725
(Increase)/decrease in debtors (note 4)	(2,259)	126
Increase in operating creditors (note 5)	409	825
Net cash inflow from operating activities	8,848	10,676

9 Analysis of changes in cash during the year.	30.09.2024	30.09.2023
	£	£
Balance brought forward	71,012	59,219
Net cash inflow from operating activities (note 8)	8,848	10,676
Interest received (note 6)	1,851	1,117
Balance at year-end	81,711	71,012

10 Detailed Income and Expenditure	30.09.2024		30.09.2023	
	Total		Total	
	£		£	
Total Income (note 3)		29,963		28,868
Maintenance - electrical	(245)		(120)	
Maintenance - roof repairs	(899)		(1,880)	
Maintenance - other	(1,645)		(1,122)	
Window cleaning	(420)		(420)	
Cleaning - internal areas	(1,708)		(1,575)	
Grounds maintenance	(3,728)		(4,428)	
Communal electricity	(578)		(219)	
Fire Risk report	-		(325)	
Accountancy	(840)		(720)	
Management fees	(4,320)		(4,032)	
Insurance - buildings	(2,846)		(2,490)	
Insurance - directors & officers	(217)		(157)	
Insurance - rebuild cost assessment	-		(180)	
Companies House fee	(13)		(13)	
Sundries	(35)	(17,494)	(32)	(17,713)
Ground rent (note 11)		(1,771)		(1,430)
Total expenditure		(19,265)		(19,143)
Operating surplus		10,698		9,725
Add interest receivable (note 6)		1,851		1,117
Surplus prior to transfer to reserves		12,549		10,842
Transfer to designated roof fund (note 7)		(6,000)		(600)
To service charge reserves (note 7)		6,549		10,242

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 2034 when the ground rent increases to £2,880 a year (£120 per apartment) until the end of the lease.

The 24 apartments have under 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.

Initial Lease Extensions

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 extensions

Three leaseholders have subsequently extended their leases by 90 years with a peppercorn (£0.00) ground rent by paying a premium to the freeholder whilst the total ground rent payable by the company under the head lease remained unchanged. In addition to a premium of £1,236 received in 2018 the company received total of £3,444 from the two leaseholders as part of the premium paid by them to the freeholder to extend their leases. These payments were received by the company as compensation for the loss of future ground rent income from those apartments. The sum received is shown in the accounts as deferred income in Debtors. The amount received is discounted over the term of the original lease and each year the discount amount is shown as part of ground rent. At the end of the year the deferred income receivable for the three leases was £4,243 (2023: £4,411). This discounted amount is less than the remaining ground rent due on the leases as it is discounted over the remaining term of the lease. The shortfall in the year was £27.23 (2023: £17.93) and will increase each year. The shortfall in ground rent is paid equally by all leaseholders as part of their service charge costs 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.

Reserves

Designated Reserve - roof

The designated reserve is a sinking fund established in 2017 to provide funds to replace the flat roofs at the end of their expected life. The previous year the directors increased the annual rate of funding from £4,800 to £6,000. This will produce a reserve fund of £68,400 by September 2029 which is anticipated to be the approximate cost dependant on when the work is required.

Non - designated Reserves

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