

Church Fields (Swindon) Management Company Limited

Report of the director and Financial Statements for the year ended

31 December 2022
Company Number 05208974

Church Fields (Swindon) Management Company Limited

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2022

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Church Fields (Swindon) Management Company Limited - Registered number 05208974

REPORT OF THE DIRECTOR

YEAR ENDED 31ST DECEMBER 2022

The director submits 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 52-98 (evens) Cassini Drive, 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 18 apartments, 4 coach houses and two houses 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

The company terminated the services of Babbington Property Management Ltd as the previous managing agent and appointed Block Management Ltd to commence from 1 February 2023. Block Management Ltd is a well-respected local professional managing agent. The previous agent did not cooperate with the handover and the director registered a complaint with the property ombudsman. The previous agent failed to complete a handover when due and finally supplied limited handover information on 3 August 2023.

The director is concerned at the high level of service charge payments outstanding at the end of the year of £15,220 (2021: £6,839) which suggests a lack of financial control by the former managing agent. Also of concern was the failure to place directors and officers insurance and the late payment fees incurred due to a failure to pay the communal electricity charges in a timely manner.

The new agent has identified urgent maintenance requirements to the building and will attend to these and the collection of outstanding service charges in 2023.

The headlease includes an opportunity for the company to purchase the freehold on favourable terms and an option for it to set aside funds to create a fund to do so. During the year the company set aside £3,257 (2021: £ nil) for this purpose. (see note 11b).

These accounts have been produced from the limited records provided by the previous managing agent.

Church Fields (Swindon) Management Company Limited - Registered number 05208974

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2022

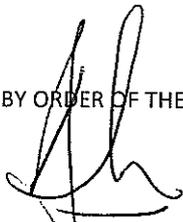
SERVICE CHARGE ACCOUNTS

The director has 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. The previous year's accounts have been re-stated on a comparative basis.

DIRECTORS

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

Karen Lisa Winter



BY ORDER OF THE BOARD

John R. Morris FCMA CGMA MIRPM
Company Secretary
7 August 2023

Registered office:
15 Windsor Road
Swindon
SN3 1JP

www.churchfields.rmcweb.site

Church Fields (Swindon) Management Company Limited

Registered number 05208974

Income Statement

For the year ended 31 December 2022

		31.12.22	31.12.21
	Note	£	£
Turnover	3	31,223	28,004
Operating charges	10	(26,397)	(24,890)
Operating surplus		4,826	3,114
Interest receivable	6	50	2
Retained surplus for the year	7	4,876	3,116

Church Fields (Swindon) Management Company Limited

Registered number 05208974

Balancing Statement

	Notes	31.12.22		31.12.21	
		£	£	£	£
Current Assets					
Cash at Bank			0		14,239
Debtors	4	33,538		8,039	
		<u>33,538</u>		<u>22,278</u>	
Creditors:					
Amounts falling due within one year	5	(6,627)		(243)	
Net Current Assets			<u>26,911</u>		<u>22,035</u>
Total Assets Less Current Liabilities			<u><u>26,911</u></u>		<u><u>22,035</u></u>
Capital and Reserves					
Leaseholders' reserves:					
Service charge reserve	7		23,654		22,035
Freehold fund	7		3,257		0
Total leaseholders' funds			<u><u>26,911</u></u>		<u><u>22,035</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 7 August 2023 and were signed on its behalf by:



Karen Lisa Winter - Director

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.

The 2021 accounts shown for comparative purposes have been prepared from records provided by the previous managing agent and were previously filed at Companies House as dormant accounts.

2 STATUTORY INFORMATION

Church Fields (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:	28,183	24,964
Ground Rent	3,040	3,040
Total receivable	<u>31,223</u>	<u>28,004</u>

4 DEBTORS

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Trade debtors - <i>outstanding service charges</i>	15,220	6,839
Other debtors - <i>Babbington Property Management Ltd*</i>	16,862	-
Prepaid expenses - <i>insurance premiums, ground rent and electricity</i>	1,456	1,200
	<u>33,538</u>	<u>8,039</u>

* *Leaseholders funds held outside of company control at year end*

5 CREDITORS: Amounts falling due within one year

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Accrued expenses - <i>expenses incurred but not paid until the following period</i>	6,626	-
Service charges received from leaseholders in advance	1	243
	<u>6,627</u>	<u>243</u>

6 INTEREST RECEIVABLE

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Bank interest receivable	14	2
Interest on service charges	36	-
	<u>50</u>	<u>2</u>

7 RECONCILIATION OF RESERVES

	Total	Service Charge	Freehold fund
	£		
Balance brought forward	22,035	22,035	0
Retained surplus for the year	4,876	1,619	3,257
Balance at year-end	<u>26,911</u>	<u>23,654</u>	<u>3,257</u>

SERVICE CHARGE RESERVE POLICY

The director considers 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)

Church Fields (Swindon) Management Company Limited - Registered number 05208974

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2022

8 Reconciliation of operating surplus to operating cash flows	31.12.22	31.12.21
	£	£
Operating surplus	4,826	3,114
Increase in debtors (note 4)	(25,499)	(6,560)
Increase/(decrease) in operating creditors (note 5)	6,384	(6,273)
Net cash outflow/inflow from operating activities	(14,289)	(9,719)

9 Analysis of changes in cash during the year.	31.12.22	31.12.21
	£	£
Balance brought forward	14,239	23,956
Net cash outflow/inflow (note 9)	(14,289)	(9,719)
Interest received (note 6)	50	2
Balance at year-end	0	14,239

The following notes do not form part of the statutory financial statements:

10 Detailed Income & Expenditure	31.12.22	31.12.21
	£	£
Total income (note 3)	31,223	28,004
Less:		
Ground rent payable to freeholder	(3,038)	(3,038)
Freehold fund to reserves (note 7)	(3,257)	0
Service charge income	24,928	24,966
Service charge expenditure:		
Grounds maintenance	(1,764)	(1,680)
Site maintenance	(74)	-
Refuse management	-	(796)
Electrical maintenance	(670)	(680)
Cleaning	(3,000)	(2,553)
Maintenance - building	(3,391)	(2,086)
Maintenance - door access control	(192)	-
Fire Alarms/AOVs	(420)	-
Insurance - buildings	(6,147)	(7,238)
Insurance - directors & officers	-	(280)
Insurance - building revaluation	-	(150)
Communal electricity	(1,646)	(1,312)
Late payment charges	(90)	(315)
Accounts	(720)	-
Management fee	(5,184)	(4,656)
Companies House and ICO fees	(13)	(13)
Bank charges	-	(25)
Sundry	(48)	(68)
Total expenditure	(23,359)	(21,852)
Operating surplus (excluding freehold fund)	1,569	3,114
Add interest receivable (note 6)	50	2
Surplus transferred to reserves (note 7)	1,619	3,116

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2022

11 OTHER INFORMATION

a) Ground Rent

The freehold of the site is believed to be owned by Penult 105 Limited (Company No. 11824547). The site includes 24 properties with 18 apartments and 4 coach houses held on leases granted for 150 years from 1 June 2004 and two houses. The initial apartment ground rent was £100 a year 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 June 2014 the ground rent increased to £138.10 and is due to next increase in line with the Index of Retail Price Inflation over the ten years to 1 June 2024. The two houses pay £1 a year ground rent.

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 10. The Sixth Schedule Part 2, s12 of the lease states that a sum not exceeding 15% of the service charge in any year (excluding this provision) may be set aside as a fund for purchasing the freehold of the site.

c) Post year-end

The company appointed Block Management Ltd, a professional local managing agent to manage the site on its behalf from 1 February 2023. The managing agent has established a website at www.churchfield.rmcweb.site and advises the company on the level of service charges based on forecast expenditure and reserve transfers.

d) Commissions and kick-back declaration

During the year the previous managing agent Babbington Property Management Ltd engaged RT Management Services Ltd a company which is associated with Babbington Property Management Ltd as it shares a common director and was paid £3,391.16 (2021: £1,830.11) for maintenance work on the site.

It is a condition of the lease that buildings insurance should be placed through the freeholder's nominated insurer. The freeholder has not declared the amount of commission received.