

Church Fields (Swindon) Management Company Limited

Report of the director and financial statements for the year ended

31 December 2023
Company Number 05208974

Church Fields (Swindon) Management Company Limited

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2023

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

REPORT OF THE DIRECTOR

YEAR ENDED 31ST DECEMBER 2023

The director submits their report together with the financial statements for the year ended 31st December 2023.

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 the previous managing agent and appointed Block Management Ltd a well-respected local professional managing agent from 1 February 2023. 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 was concerned at the high level of service charge payments outstanding at the end of the previous year and is pleased to note that these debts were reduced to £1,271 (2022: £15,220) by the year-end. The company arranged directors and officers insurance during the year as previous agent had omitted to place cover.

Fire proofing works were undertaken during the year to smoke seal risers and cupboards and fit locks to communal fire doors that should be kept locked. The CCTV system had not been maintained by the previous agent and was recommissioned during the year. The communal lighting was found to be in a poor state of repair was upgraded to LED sensor lights in the front and middle blocks.

A secure door entry system was installed at the end of the year together with a replacement intercom system for block 60 -70.

Accounts for the period to 31 January 2023 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 2023

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 were re-stated on a comparative basis.

DIRECTORS

The director shown below held office during the whole of the period from 1 January 2023 to the date of these accounts.

Karen Lisa Winter

BY ORDER OF THE BOARD



John R Morris FCMA CGMA MIRPM
Company Secretary
12 January 2024

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 2023

		31.12.2023	31.12.2022
	Note	£	£
Turnover	3	37,915	31,223
Operating charges	10	(33,766)	(26,397)
Operating surplus		4,149	4,826
Interest receivable	6	1,135	50
Retained surplus for the year	7	5,284	4,876

Church Fields (Swindon) Management Company Limited

Registered number 05208974

Balancing Statement

		31.12.2023		31.12.2022	
	Notes	£	£	£	£
Current Assets					
Cash at Bank		41,362		0	
Debtors	4	<u>2,885</u>		<u>33,538</u>	
		44,247		33,538	
Creditors:					
Amounts falling due within one year	5	(12,052)		(6,627)	
Net Current Assets			<u>32,195</u>	<u>26,911</u>	
Total Assets Less Current Liabilities			<u><u>32,195</u></u>	<u><u>26,911</u></u>	
Capital and Reserves					
Leaseholders' reserves:					
Service charge reserve	7		23,688	23,654	
Freehold fund	7		8,507	3,257	
Total leaseholders' funds			<u><u>32,195</u></u>	<u><u>26,911</u></u>	

For the year ending 31 December 2023 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 surplus or deficit 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 12 January 2024 and were signed on its behalf by:



Karen Lisa Winter - Director

Church Fields (Swindon) Management Company Limited - Registered number 05208974**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2023****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 2022 accounts shown for comparative purposes have been prepared from records provided by the previous managing agent.

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 (2022: 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>31.12.2023</u>	<u>31.12.2022</u>
	£	£
Service Charges:	34,875	28,183
Ground Rent	3,040	3,040
Total receivable	<u>37,915</u>	<u>31,223</u>

4 DEBTORS

	<u>31.12.2023</u>	<u>31.12.2022</u>
	£	£
Trade debtors - <i>outstanding service charges</i>	1,271	15,220
Other debtors - <i>Babbington Property Management Ltd*</i>	-	16,862
Prepaid expenses - <i>insurance premiums, ground rent and electricity</i>	1,614	1,456
	<u>2,885</u>	<u>33,538</u>

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

5 CREDITORS: Amounts falling due within one year

	<u>31.12.2023</u>	<u>31.12.2022</u>
	£	£
Accrued expenses - <i>expenses incurred but not paid until the following period</i>	7,989	3,721
Other creditors (note 11 a)	2,905	2,905
Service charges received from leaseholders in advance	1,158	1
	<u>12,052</u>	<u>6,627</u>

6 INTEREST RECEIVABLE

	<u>31.12.2023</u>	<u>31.12.2022</u>
	£	£
Bank interest receivable	968	14
Interest on service charges	167	36
	<u>1,135</u>	<u>50</u>

7 RECONCILIATION OF RESERVES

	Total	Service Charge	Freehold fund
	£		
Balance brought forward	26,911	23,654	3,257
Retained surplus for the year	5,284	34	5,250
Balance at year-end	<u>32,195</u>	<u>23,688</u>	<u>8,507</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 2023

8 Reconciliation of operating surplus to operating cash flows	<u>31.12.2023</u>	<u>31.12.2022</u>
	£	£
Operating surplus	4,149	4,826
Decrease/(Increase) in debtors (note 4)	30,653	(25,499)
Increase in operating creditors (note 5)	5,425	6,384
Net cash inflow/(outflow) from operating activities	<u>40,227</u>	<u>(14,289)</u>

9 Analysis of changes in cash during the year.	<u>31.12.2023</u>	<u>31.12.2022</u>
	£	£
Balance brought forward	0	14,239
Net cash inflow/(outflow) (note 9)	40,227	(14,289)
Interest received (note 6)	1,135	50
Balance at year-end	<u>41,362</u>	<u>0</u>

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

10 Detailed Income & Expenditure	<u>31.12.2023</u>	<u>31.12.2022</u>
	£	£
Total income (note 3)	37,915	31,223
Less:		
Ground rent payable to freeholder	(3,038)	(3,038)
Freehold fund to reserves (note 7)	(5,250)	(3,257)
Service charge income	<u>29,627</u>	<u>24,928</u>
Service charge expenditure:		
Grounds maintenance	(1,911)	(1,764)
Site maintenance	(185)	(74)
Electrical maintenance	(1,202)	(670)
Cleaning	(2,676)	(3,000)
Maintenance - building	(2,265)	(3,391)
Maintenance - CCTV	(286)	-
Maintenance - door access control	(4,530)	(192)
Fire alarms	-	(420)
Fire proofing remedial works	(2,913)	-
Insurance - buildings - <i>placed by freeholder</i>	(6,898)	(6,147)
Insurance - directors & officers (<i>part year</i>)	(172)	-
Insurance - building revaluation	(300)	-
Communal electricity	(1,606)	(1,646)
Late payment charges	-	(90)
Accounts	(720)	(720)
Management fee	(4,986)	(5,184)
Companies House and ICO fees	(48)	(13)
Sundry	(30)	(48)
Total expenditure	<u>(30,728)</u>	<u>(23,359)</u>
Operating surplus (excluding freehold fund)	(1,101)	1,569
Add interest receivable (note 6)	1,135	50
Surplus transferred to reserves (note 7)	<u>34</u>	<u>1,619</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2023

11 OTHER INFORMATION

a) Ground Rent

The site includes 24 properties including 18 apartments, 4 coach houses and 2 freehold houses. The company holds a headlease with the freeholder (which is believed to be Penult 105 Limited Company No. 11824547) running from 1 January 2004 for 150 years. The initial ground rent was £2,200 a year. The ground rent on the headlease increases every 10 years from 1 January 2004 in line with the increase in Retail Price Inflation. The company has 24 underleases that run for 150 years from 1 June 2004 ending five months later than the headlease. The initial apartment ground rent was £100 a year payable in two equal instalments due in advance on 1 January and 1 July every year. The ground rent on the underleases increases every 10 years from 1 June 2004 in line with the increase in Retail Price Inflation. Due to different review dates and the ground rent on the underleases increasing five months later than the headlease there is a shortfall in ground rent received from the underleases and the amount payable to the freeholder. As at 31 December 2023 the company held a balance of £2,904.69 to cover the shortfalls. This amount is included within creditors on the Balance Sheet.

b) Freehold Fund

The leases provide an option for the company to purchase the freehold revision collectively on behalf of leaseholders. This will 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) Service Charges

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 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 £0.00 (2022: £3,391.16) 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.