

Church Fields (Swindon) Management Company Limited

Report of the director and financial statements for the year ended

31 December 2024
Company Number 05208974

Church Fields (Swindon) Management Company Limited

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2024

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Church Fields (Swindon) Management Company Limited

REPORT OF THE DIRECTOR

YEAR ENDED 31 DECEMBER 2024

The director submits their report together with the financial statements for the year ended 31st December 2024.

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 charges 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 Acquisition 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

In the previous year the company terminated the services of its managing agent and appointed Block Management Ltd a well-respected local professional managing agent from 1 February 2023. The former agent did not cooperate with the handover and the director registered a complaint with the property ombudsman.

During the year, the company completed the upgrade to the communal lighting that it had commenced in 2023 to sensor activated LED lighting with integrated emergency lights. This helped reduce the communal electricity cost to £983 (2023: £1,606). Various remedial works took place during the year including the installation of a door access control system to all the blocks to improve the security of residents and of the property.

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. In the interests of openness and transparency the full accounts have been produced including a detailed statement of income and expenditure.

DIRECTORS

The director shown below held office during the whole of the period from 1 January 2024 to the date of these accounts.

Karen Lisa Winter

Signed on behalf of the company by,

Karen Lisa Winter
Director
23 January 2025

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 2024

		31.12.2024	31.12.2023
	Note	£	£
Income	3	45,358	37,915
Operating charges	10	(29,457)	(33,766)
Surplus before interest		15,901	4,149
Interest receivable	6	1,177	1,135
Retained surplus transferred to reserve funds	7	17,078	5,284

Church Fields (Swindon) Management Company Limited

Registered number 05208974

Balancing Statement

For the year ended 31 December 2024

	Notes	31.12.2024		31.12.2023	
		£	£	£	£
Current Assets					
Cash at Bank		60,887		41,362	
Debtors	4	<u>4,429</u>		<u>2,885</u>	
		65,316		44,247	
Creditors:					
Amounts falling due within one year	5	(13,138)		(12,052)	
Net Current Assets			<u>52,178</u>	<u>32,195</u>	
Total Assets Less Current Liabilities			<u><u>52,178</u></u>	<u><u>32,195</u></u>	
Capital and Reserves					
Leaseholders' reserves:					
Service charge reserve	7		36,420	23,688	
Ground rent reserve	7		1,420	-	
Freehold acquisition fund	7		14,338	8,507	
Total leaseholders' funds			<u><u>52,178</u></u>	<u><u>32,195</u></u>	

For the year ending 31 December 2024 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 23 January 2025 and were signed on its behalf by:

Karen Lisa Winter - Director

Church Fields (Swindon) Management Company LimitedNOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 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.

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 (2023: none)

3 INCOME

Income represents the amounts charged as service charges for the year, plus collection of ground rent and contributions to a freehold purchase fund as detailed below.

	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Service Charges:	36,800	29,625
Freehold Fund	5,520	5,250
Ground Rent	3,038	3,040
Total receivable	<u>45,358</u>	<u>37,915</u>

4 DEBTORS

	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Trade debtors - <i>outstanding service charges</i>	2,762	1,271
Prepaid expenses - <i>insurance premiums, ground rent and electricity</i>	1,667	1,614
	<u>4,429</u>	<u>2,885</u>

5 CREDITORS: Amounts falling due within one year

	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Accrued expenses - <i>expenses incurred but not paid until the following period</i>	7,569	7,989
Other creditors (note 11 a)	-	2,905
Service charges received from leaseholders in advance	5,569	1,158
	<u>13,138</u>	<u>12,052</u>

6 INTEREST RECEIVABLE

	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Interest receivable on overdue accounts	-	968
Bank interest on service charge reserves (note 11 c))	866	167
Bank interest on freehold fund (note 11 c))	311	-
	<u>1,177</u>	<u>1,135</u>

7 RECONCILIATION OF RESERVES

	Total	Service Charge	Ground rent	Freehold fund
	£	£	£	£
Balance brought forward	32,195	23,688	-	8,507
Transferred from other creditors (note 5)	2,905	-	2,905	-
Retained surplus/(deficit) for the year (note 10)	17,078	12,732	(1,485)	5,831
Balance at year end	<u>49,273</u>	<u>36,420</u>	<u>1,420</u>	<u>14,338</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 ACQUISITION FUND

See note 11 b)

Church Fields (Swindon) Management Company Limited

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

8 Reconciliation of operating surplus to operating cash flows	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Operating surplus	15,901	4,149
(Increase)/decrease in debtors (note 4)	(1,544)	30,653
Increase in operating creditors (note 5)	1,086	5,425
Net cash inflow from operating activities	<u>15,443</u>	<u>40,227</u>

9 Analysis of changes in cash during the year.	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Balance brought forward	41,362	0
Ground rent transfer from other creditors (note 5)	2,905	-
Net cash inflow (note 9)	15,443	40,227
Interest received (note 6)	1,177	1,135
Balance at year end	<u>60,887</u>	<u>41,362</u>

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

10 Detailed Income & Expenditure	<u>31.12.2024</u>	<u>31.12.2024</u>	<u>31.12.2023</u>	<u>31.12.2023</u>
		£		£
Total income (note 3)		45,358		37,915
Less Ground rent:				
Due from leaseholders	3,038	(3,038)	3,038	(3,038)
Due to freeholder	(4,523)		(3,038)	
Transferred from reserves (note 7)	(1,485)		-	
Less: Freehold acquisition fund	5,520	(5,520)	5,250	(5,250)
Interest receivable (note 6)	311		-	
Transferred to reserves (note 7)	5,831		5,250	

SERVICE CHARGE INCOME AND EXPENDITURE

SERVICE CHARGE INCOME	<u>36,800</u>	<u>29,627</u>
<u>Service charge expenditure:</u>		
Grounds maintenance	(1,926)	(1,911)
Site maintenance	-	(185)
Electrical maintenance	(85)	(1,202)
Cleaning	(2,640)	(2,676)
Maintenance - building	(5,545)	(2,265)
Maintenance - CCTV	-	(286)
Maintenance - door access control	-	(4,530)
Fire proofing remedial works	-	(2,913)
Insurance - buildings - <i>placed by freeholder</i>	(7,214)	(6,898)
Insurance - directors & officers (<i>2023: part year</i>)	(224)	(172)
Insurance - building revaluation	(193)	-
Fire risk assessment	-	(300)
Communal electricity	(984)	(1,606)
Accounts	(720)	(720)
Management fee	(5,280)	(4,986)
Companies House and ICO fees	(69)	(48)
Sundry	(54)	(30)
Total expenditure	<u>(24,934)</u>	<u>(30,728)</u>
Service charge surplus before interest	<u>11,866</u>	<u>(1,101)</u>
Add interest receivable (note 6)	866	1,135
SERVICE CHARGE SURPLUS transferred to reserves (note 7)	<u>12,732</u>	<u>34</u>

Church Fields (Swindon) Management Company Limited

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

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 was included within Creditors (note 4.) on the Balance Sheet at 31 December 2023 and was transferred to a separate reserve during the year.

b) Freehold Acquisition Fund

The leases provide an option for the company to purchase the freehold reversion collectively on behalf of leaseholders. Once purchased, this will reduce ground rent to zero 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) Interest allocation

The board agreed that from 2024 interest received should be allocated between the general reserve and the freehold fund reserve in proportion to the opening balances of both reserves on 1 January of that year.

d) 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.

e) Service Charge Allocation

The service charges are allocated between the 24 properties on the site in accordance with the percentages set out in the lease for the 22 leasehold properties and the deeds for two freehold properties.

f) Commissions and incentive payments declaration

No commissions or incentive payments of any kind are received by the current managing agent or the director. At the year end the director K Winter owed the company £2,762 (2023: £500). This amount is included in note 4 Debtors.

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.