

Towpath Gardens RTM Company Ltd

Report of the directors and unaudited financial statements for the period ended

31 December 2021

Company limited by guarantee No 12817357

Towpath Gardens RTM Company Ltd

FINANCIAL STATEMENTS

PERIOD ENDED 31ST DECEMBER 2021

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Towpath Gardens RTM Company Ltd

REPORT OF THE DIRECTORS

PERIOD ENDED 31ST DECEMBER 2021

The director submits their report together with the financial statements for the period ended 31st December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the company is to manage, maintain and administer Towpath Gardens, Swindon on behalf of the leaseholders.

BUSINESS REVIEW

The company was incorporated on 17 August 2020 and acquired the Right To Manage Towpath Gardens on 1 March 2021. The company extended its year end to 31 December 2021 in order to align it with accounting provisions of the leases. These accounts include the 10 month service charge period from acquisition of Right To Manage until 31 December 2021.

Since Right To Manage was acquired progress has been made in addressing high costs and outstanding maintenance issues on the site.

In particular the following items were identified and have been addressed:

- Broken fencing, including the collapsed fence to the right-hand side of the site.
- Broken/missing Aco drains in the car park – all replaced/repaired
- All the non-functioning lights have been replaced with motion sensor/led/emergency combined units.
- Fire safety issues addressed such as filling holes in fire doors and cupboards.
- New communal door access control systems installed with cabling sufficient for possible CCTV cameras at a later date.
- Automatic Smoke Vents (AOVs) repaired (There is one left to repair which is impossible to access without scaffolding)

Considerable savings have been made compared to the freeholder's agent's costs. In particular:-

Buildings insurance which was £6,638 in 2020 was renewed by the RTM company in 2021 for £2,695.

The freeholder's managing agent fee in 2020 was £4,428.00 compared with a rate of £2,880 for Block Management Ltd in 2021

The freeholders charged £3,006 for communal cleaning in 2020 compared with our new cleaners annual charge of £1,440.

Whilst other costs are not directly comparable, the buildings and the site generally had suffered from a lack of maintenance for several years.

SERVICE CHARGE ACCOUNTS

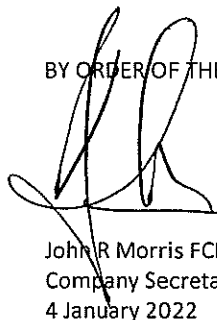
The director will produce the statutory accounts on a consistent basis to show the service charge accounts passing through the company as they consider that the company is acting as a principal rather than agent to the members.

DIRECTORS

The director shown below has held office during the whole of the period from incorporation to the date of this report.

Darryl James Kiy

BY ORDER OF THE BOARD



John R Morris FCMA CGMA MIRPM
Company Secretary
4 January 2022

Registered Office:
15 Windsor Road
Swindon
SN3 1JP

Registered in England No 12817357
www.towpathgardens.rmcweb.site

Towpath Gardens RTM Company Ltd

Registered Number 12817357

Income Statement

For the period to 31 December 2021

		2021
	Notes	£
TURNOVER	3	30,910
Administrative expenses	10	(17,106)
OPERATING SURPLUS		<u>13,804</u>
Interest receivable and similar income	7	100
RETAINED SURPLUS FOR THE FINANCIAL PERIOD		<u><u>13,904</u></u>

Towpath Gardens RTM Company Ltd
Registered Number 12817357

Balancing Statement as at 31 December 2021

	Notes	31st December 2021	
		£	£
CURRENT ASSETS			
Cash at Bank		37,335	
Debtors	4	<u>676</u>	
		38,011	
CREDITORS			
Amounts falling due within one year	5	(6,820)	
NET CURRENT ASSETS			31,191
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>31,191</u></u>
RESERVES			
Service charge reserves	6		31,191
Leaseholders' Funds			<u><u>31,191</u></u>

a. For the period ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

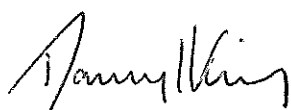
b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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 period, and of its surplus or deficit for the financial period, 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.

The financial statements were approved by the board on 4 January 2022 and signed on its behalf by:



Darryl James Kiy - director

Towpath Gardens RTM Company Ltd

Registered Number 12817357

NOTES TO FINANCIAL STATEMENTS FOR PERIOD ENDED 31ST DECEMBER 2021

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

Towpath Gardens RTM Company Ltd is a private company limited by guarantee, registered in England and Wales. The company's registered number and registered office can be found on the Directors' Report page.

The average number of employees during the period was: none

3 TURNOVER

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

	<u>31.12.21</u>
	£
Service Charges	<u>30,910</u>

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31.12.21</u>
	£
Trade debtors (<i>outstanding Service Charges</i>)	0
Payments in advance (<i>prepaid insurance cover</i>)	676
	<u>676</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31.12.21</u>
	£
Accrued expenses (costs not yet paid)	1,915
Service Charges received from leaseholders in advance	4,905
	<u>6,820</u>

6 SERVICE CHARGE RESERVES

	£
Opening reserves	0
Service charge reserves transferred to company	17,287
Surplus for the year (note 10)	13,904
As at 31st December 2021	<u>31,191</u>

The directors consider that the company should aim to build reserves to a level similar to approximately two years of service charge income in order to meet unexpected expenditure requirements.

7 INTEREST RECEIVED

	<u>31.12.21</u>
	£
Bank interest received	<u>100</u>

Towpath Gardens RTM Company Ltd

Registered Number 12817357

NOTES TO FINANCIAL STATEMENTS FOR PERIOD ENDED 31ST DECEMBER 2021

8 Reconciliation of operating surplus to operating cash flows	<u>31.12.21</u>
	£
Operating surplus (note 10)	13,804
Service charge reserves transferred to company	17,287
Increase in debtors (note 4)	(676)
Increase in operating creditors (note 5)	6,820
Net cash inflow from operating activities	<u>37,235</u>

9 Analysis of changes in cash during the year.	<u>31.12.21</u>
	£
Balance brought forward	0
Interest received (note 7)	100
Net cash inflow (note 8)	37,235
Balance at period-end	<u>37,335</u>

The following notes do not form part of the statutory accounts:

10 Detailed Income and Expenditure	<u>31.12.21</u>	<u>31.12.20</u>
<i>Compared to freeholders income and expenditure to 31 December 2020</i>	<i>10 months</i>	<i>12 months</i>
	£	
Total Income (note 3)	30,910	24,060
Maintenance - gardening	(625)	(968)
Maintenance - site	(1,085)	(1,000)
Maintenance - fire alarms/AOVs	(316)	(4,080)
Maintenance - building	(4,915)	(3,597)
Maintenance - electrical	(1,164)	(528)
Fly-tipping	(260)	-
Communal electricity	(1,049)	(2,213)
Communal cleaning	(1,200)	(3,006)
Management fees	(2,400)	(4,428)
Accountancy	(720)	(680)
Professional fees	(600)	-
Insurance - buildings	(2,517)	(6,638)
Insurance - directors and officers	(117)	-
Postage, stationery and website	(58)	-
Company registration fees	(80)	-
Total expenses	<u>(17,106)</u>	<u>(27,138)</u>
Operating surplus	<u>13,804</u>	<u>(3,078)</u>
Add Interest received (note 7)	100	13
Surplus transferred to reserves (note 6)	<u>13,904</u>	<u>(3,065)</u>

Towpath Gardens RTM Company Ltd
Registered Number 12817357

NOTES TO FINANCIAL STATEMENTS FOR PERIOD ENDED 31ST DECEMBER 2021

11 COMPARATIVE TO BALANCE SHEET FOR PRIOR YEAR

The following note compares the balance sheet to that as at 31 December 2020 as reported by the freeholder's agent

CURRENT ASSETS		<u>31.12.21</u>	<u>31.12.21</u>	<u>31.12.20</u>	<u>31.12.20</u>
Cash at Bank		37,335		15,563	
Debtors	4	<u>676</u>		<u>2,912</u>	
		38,011		18,475	
CREDITORS					
Amounts falling due within one year	5	(6,820)		(7,211)	
NET CURRENT ASSETS			31,191		11,264
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>31,191</u></u>		<u><u>11,264</u></u>
RESERVES					
Service charge reserves	6		31,191		11,264
Leaseholders' Funds			<u><u>31,191</u></u>		<u><u>11,264</u></u>

12 OTHER INFORMATION

Ground rent

The leases were granted for a period of 125 years from 1 January 2009 with an annual ground rent of £125. The ground rent is reviewed every ten years commencing 1 April 2018 and increased by in line with the increase in Retail Price Inflation.

Service charges

The company has appointed a professional local managing agent to manage the premises on its behalf. The managing agent advises the company on the level of service charges based on forecast expenditure. No commission or kick-backs of any kind are received by the managing agent or the company directors.