

Station Walk Station Road Swindon Management Company Limited

Report of the Directors and Financial Statements for the Year Ended

31 December 2024
Company Number 04917686

Station Walk Station Road Swindon Management Company Limit

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2024

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Station Walk Station Road Swindon Management Company Limited - Registered number 04917686

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2024

The directors submit 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 Brunswick House, Corporation Street, 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.

Service Charge:

The company's members are the leaseholders of the 36 apartments 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 is pleased to note that following the installation of LED lighting in 2023 that electricity costs were reduced in the year to £2,050 (2023: £2,782). During the year the CCTV system was upgraded at a cost of £2,937 to include additional coverage of the site with nighttime viewing and recording capabilities providing additional security to residents and to assist in protecting the site.

During the year the leaseholders acquired the Right To Manage on 6 November 2024. The benefit of this is that from the acquisition date the company is responsible for placing building insurance cover and no longer be obliged to accept and pay for cover placed by the freeholder. The freeholder placed cover on 25 March 2024 at an annual premium of £20,570. This was cancelled on 6 November 2024 when the company placed its own cover at an annual premium of £5,839. The freeholder has not yet refunded the unexpired portion of cover from the period 6 November 2024 to 24 March 2025 estimated at £7,833.39 (see note 4).

During the previous year the new managing agent recommended that members take advantage of a clause in the lease to establish a freehold purchase fund to eventually purchase the freehold. Members agreed to this at a members' meeting and an initial transfer to the fund was made last year. (see notes 11b) and 11c) for more details).

Station Walk Station Road Swindon Management Company Limited - Registered number 04917686

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 2024

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

DIRECTORS

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

James Malcolm Garrett
Clive David Kent
Yousef Khan

Under the Articles of Association one third of directors must retire by rotation every three years together with any director appointed by the board since the previous members' meeting and may offer themselves for re-election.

BY ORDER OF THE BOARD

John R Morris FCMA CGMA MTP1
Company Secretary
9 February 2025

Registered office:
15 Windsor Road
Swindon
SN3 1JP

www.brunswick.rmcweb.site

Station Walk Station Road Swindon Management Company Limited

Registered number 04917686

Income Statement

For the year ended 31 December 2024

		31.12.2024	31.12.2023
	Note	£	£
Turnover	3	78,303	62,299
Operating charges	10	(58,335)	(55,096)
Operating surplus		19,968	7,203
Interest receivable	6	2,514	2,061
Retained surplus for the year	7	22,482	9,264

Station Walk Station Road Swindon Management Company Limited

Registered number 04917686

Balancing Statement

	Notes	31.12.2024		31.12.2023	
		£	£	£	£
Current Assets					
Cash at Bank		70,357		48,912	
Debtors	4	14,427		12,666	
		<u>84,784</u>		<u>61,578</u>	
Creditors:					
Amounts falling due within one year	5	(14,827)		(14,103)	
Net Current Assets			<u>69,957</u>		<u>47,475</u>
Total Assets Less Current Liabilities			<u><u>69,957</u></u>		<u><u>47,475</u></u>
Capital and Reserves					
Leaseholders' reserves:					
Service charge reserve	7		52,960		40,022
Designated freehold fund	7		16,997		7,453
Total leaseholders' funds			<u><u>69,957</u></u>		<u><u>47,475</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 9 February 2025 and were signed on its behalf by:

James Malcolm Garrett - Director

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST 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.

The comparative accounts for 2023 have been prepared from records provided by the previous managing agent. Those accounts have been re-stated on an accruals basis by the recognition of pre-paid ground rent as at the year-end of £1,130.

2 STATUTORY INFORMATION

Station Walk Station Road 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 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>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Service Charges:	61,056	57,330
Freehold Fund	9,158	-
Ground Rent	8,089	4,969
Total receivable	<u>78,303</u>	<u>62,299</u>

4 DEBTORS

	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Trade debtors - <i>outstanding service charges</i>	621	5,283
Other debtors - <i>buildings insurance refund due from freeholder</i>	7,833	-
Prepaid expenses - insurance premiums and ground rent	5,973	7,383
	<u>14,427</u>	<u>12,666</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>	4,988	4,068
Service charges received from leaseholders in advance	9,839	10,035
	<u>14,827</u>	<u>14,103</u>

6 INTEREST RECEIVABLE

	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Interest receivable on overdue accounts	57	1,111
Bank interest on freehold fund (note 11c))	386	950
Bank interest on service charge reserves (note 11c))	2,071	1,111
	<u>2,514</u>	<u>2,061</u>

7 RECONCILIATION OF RESERVES

	Total	Service Charge	Freehold fund
	£		
Balance brought forward (see note 11 d)	40,022	40,022	7,453
Retained surplus for the year	22,482	12,938	9,544
Balance at year-end	<u>62,504</u>	<u>52,960</u>	<u>16,997</u>

SERVICE CHARGE RESERVE POLICY

The directors consider 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)

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2024

8 Reconciliation of operating surplus to operating cash flows	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Operating surplus	19,968	7,203
(Increase)/decrease in debtors (note 4)	(1,761)	29,397
Increase in operating creditors (note 5)	724	7,744
Net cash inflow from operating activities	<u>18,931</u>	<u>44,344</u>
9 Analysis of changes in cash during the year.	<u>31.12.2024</u>	<u>31.12.2023</u>
	£	£
Balance brought forward	48,912	2,507
Net cash inflow (note 9)	18,931	44,344
Interest received (note 6)	2,514	2,061
Balance at year-end	<u>70,357</u>	<u>48,912</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>
	£	£	£
Total income (note 3)	78,303		62,299
Less:			
Ground rent payable to freeholder	(8,089)		(4,969)
Freehold fund transfer (note 7)	(9,158)	(9,158)	(7,453)
Service charge income	61,056		49,877
Service charge expenditure:			
Grounds maintenance	(1,010)		(945)
Refuse management	(310)		(540)
Site maintenance	(325)		(83)
Electrical maintenance	(162)		(2,977)
Cleaning	(3,228)		(3,016)
Maintenance - building	(6,976)		(3,229)
Fire Alarms/AOVs	(126)		(762)
Maintenance - vehicular gate	(405)		(2,611)
Maintenance - door entry	-		(6,837)
Maintenance - tv system	(360)		-
Insurance - buildings	(19,806)		(17,579)
Insurance - directors & officers	(397)		(187)
Insurance - rebuild cost assessment	(200)		-
Communal electricity	(2,050)		(2,782)
Accounts	(840)		(720)
Management agent	(7,632)		(7,092)
Professional fees - risk assessments	-		(641)
Professional fees - Right To Manage claim	(6,209)		-
Companies House and ICO fees	(104)		(48)
Sundry	(106)		(78)
Total expenditure	(50,246)		(50,127)
Operating surplus (excluding freehold fund)	10,810		(250)
Add interest receivable (note 6)	386	2,128	2,061
Surplus transferred to reserves (note 7)	<u>9,544</u>	<u>12,938</u>	<u>7,453</u>
			<u>1,811</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2024

11 OTHER INFORMATION

a) Ground Rent

The freehold of the site is believed to be owned by Furatto Limited (Company No. 08939347). The site includes 36 apartments held on leases granted for 150 years from 1 October 2003. The initial 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 October 2013 the ground rent increased to £138.04 and on 1 October 2023 to £207.35.

During the year the company received notice from the freeholder of the increased ground rent charge due from 1 October 2023. The company had accrued the unbilled ground rent due under the headlease for the remainder of 2023 at the rate equal to the rent payable immediately before the review date.

During the year the company issued a supplementary charge to leaseholders for the increase in the ground rent of £3,204 (£624 for 2023 and £2,496 for 2024) which is included in these accounts. The increase has no effect on the service charge accounts for 2024 as the increase is passed on to leaseholders.

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 s12 of the lease states that a sum not exceeding 15% of the service charge in any year (excluding this provision) may be charged and collected as a fund for purchasing the freehold of the site. In 2023 it was agreed by members to establish a freehold fund for this purpose and charge leaseholders a separate contribution for this purpose.

c) Interest receivable allocation

The board agreed that from 2024 interest received should be allocated between the service charge reserve and the freehold fund reserve in proportion to the opening balances on 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 on 1 November 2022. The managing agent advises the company on the level of service charges based on forecast expenditure and reserve transfers.

e) Commissions and kick-back declaration

No commission or kick-backs of any kind are received by the managing agent Block Management Ltd or the company directors.