

COMPANY REGISTRATION NUMBER 02279323

POSOL RESIDENTS MANAGEMENT COMPANY
LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st MARCH 2017

taylorcocks

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
PO6 3TH

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

CONTENTS

| | PAGES |
|---|---------|
| Officers and professional advisers | 1 |
| The directors' report | 2 to 3 |
| Independent auditor's report to the shareholders | 4 to 5 |
| Income statement | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 to 11 |
| The following pages do not form part of the financial statements | |
| Detailed income statement | 13 |
| Notes to the detailed income statement | 14 |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M.D. Abrams
D.D. August
I.H. Currie
P.L. Maistre
J.D Shaw
R.G Sillence

Company secretary

I.H. Currie

Registered office

46 Leigh Road
Eastleigh
Hampshire
SO50 9DT

Auditor

Taylorcocks
Chartered Accountants
& Registered Auditors
3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
PO6 3TH

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2017

The directors present their report and the financial statements of the company for the year ended 31st March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company throughout the year continued to be that of acting on behalf of the owners of homes and berths as the management company of the communal areas for the properties located at Sennen Place, Carne Place, Kelsey Head, Newlyn Way, Carbis Close, Cadgwith Place, Holywell Drive, Bryher Island, Tintagel Way, Mullion Close and Coverack Way at Port Solent, Portsmouth, Hampshire.

THE DIRECTORS

The directors who served the company during the year and up to the date of approval of the financial statements were as follows:

M.D Abrams

D.D. August (appointed 18/08/2017)

I.H. Currie

M. Farndell (resigned 16/06/2017)

P.L Maistre (appointed 20/05/2016)

J.A.D. Palmer (resigned 06/09/2017)

M. Sandall (resigned 20/05/2016)

R.G. Sillence (appointed 19/8/2016)

J.D. Shaw

B. White (resigned 19/08/2016)

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2017

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

INSURANCE

During the year £578 (2016 - £583) was expensed by the company in respect of Directors and Officers liability insurance.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
46 Leigh Road
Eastleigh
Hampshire
SO50 9DT

Signed by order of the directors



I.H. CURRIE

Director

Approved by the directors on 15 September 2017

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
POSOL RESIDENTS MANAGEMENT COMPANY LIMITED (continued)**

YEAR ENDED 31st MARCH 2017

We have audited the financial statements of POSOL Residents Management Company Limited for the year ended 31st March 2017. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
POSOL RESIDENTS MANAGEMENT COMPANY LIMITED (continued)**

YEAR ENDED 31st MARCH 2017

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Director's Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Graham Figgins (Senior Statutory Auditor)

For and on behalf of

taylorcocks

Office: Portsmouth

Date: 18 SEPTEMBER 2017

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INCOME STATEMENT

31st MARCH 2017

| | | 2017 | 2016 |
|---|-----------|-----------------|----------------|
| | | £ | £ |
| INCOME RECEIVABLE | | 474,449 | 458,030 |
| Administrative expenses | | 464,159 | 454,520 |
| Other operating income | | (1,057) | (1,360) |
| OPERATING SURPLUS | 2 | 11,347 | 4,870 |
| Interest receivable | | 1,281 | 2,063 |
| TOTAL EXCESS INCOME AFTER EXPENSES | | 12,628 | 6,933 |
| Tax on interest receivable | 3 | 256 | 413 |
| EXCESS Income for the year | | 12,372 | 6,520 |
| Amount due to shareholders | | - | - |
| Transfer to sinking funds: Based on maximum of 3.0% of administrative expenses | 10 | (12,372) | (6,520) |
| RESULT FOR THE YEAR | | - | - |

All of the activities of the company are classed as continuing.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

BALANCE SHEET

31st MARCH 2017

| | Note | 2017 £ | 2016 £ |
|--|------|----------------|----------------|
| FIXED ASSETS | 4 | 29,405 | 29,405 |
| CURRENT ASSETS | | | |
| Debtors | 5 | 17,489 | 5,349 |
| Cash at bank | | 266,798 | 330,767 |
| | | <u>284,287</u> | <u>336,116</u> |
| CREDITORS: Amounts falling due within one year | 6 | <u>33,475</u> | <u>63,133</u> |
| NET CURRENT ASSETS | | 250,812 | 272,983 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>280,217</u> | <u>302,388</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 7 | 733 | 733 |
| Revaluation reserve | 8 | 29,405 | 29,405 |
| Sinking funds | 10 | 250,079 | 272,250 |
| SHAREHOLDERS' FUNDS | | <u>280,217</u> | <u>302,388</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the directors on the 15 September 2017 and are signed on their behalf by:


I.H. CURRIE – DIRECTOR


J. SHAW – DIRECTOR

Company Registration Number: 02279323

The notes on pages 8 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2017

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the ended 31st March 2017 are the first financial statements of POSOL Residents Management Company Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1st April 2017. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Income receivable

The income receivable represents the amounts received and due from shareholders. Management are of the opinion that all amounts due from shareholders are fully recoverable.

2. OPERATING SURPLUS

Operating surplus is stated after charging:

| | 2017 | 2016 |
|----------------|-------|-------|
| | £ | £ |
| Auditor's fees | 4,200 | 4,080 |

The directors received no emoluments for their services (2016 – £nil). In his capacity as Company Secretary, Mr I.H. Currie received fees of £3,600 (2016 – £3,500).

3. TAXATION

| | 2017 | 2016 |
|-------------------------|------|------|
| | £ | £ |
| Current tax: | | |
| In respect of the year: | | |
| UK Corporation tax | 256 | 413 |
| Total current tax | 256 | 413 |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2017

4. FIXED ASSETS – Land and Buildings

| | 2017 £ | 2016 £ |
|-----------------------------|---------------|---------------|
| Balance as at 1 April 2016 | 29,405 | 29,405 |
| Balance as at 31 March 2017 | <u>29,405</u> | <u>29,405</u> |

5. DEBTORS

| | 2017 £ | 2016 £ |
|--------------------------------|---------------|--------------|
| Amounts due from shareholders | 14,991 | 1,791 |
| Prepayments and accrued income | 2,498 | 3,237 |
| Other Debtors | - | 321 |
| | <u>17,489</u> | <u>5,349</u> |

6. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------|---------------|---------------|
| Amounts owed to shareholders | 11,477 | 30,071 |
| Other creditors | 7,138 | 7,138 |
| Trade creditors | 216 | 11,841 |
| Corporation tax | 348 | 413 |
| Accruals | 14,296 | 13,670 |
| | <u>33,475</u> | <u>63,133</u> |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2017

7. SHARE CAPITAL

Authorised share capital:

| | 2017 | 2016 |
|--|-------------------|-------------------|
| | £ | £ |
| 439 Class A ordinary shares of £1 each | 439 | 439 |
| 360 Class B ordinary shares of £1 each | 360 | 360 |
| | <u>799</u> | <u>799</u> |
| | <u><u>799</u></u> | <u><u>799</u></u> |

Allotted, called up and fully paid:

| | 2017 | | 2016 | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | No | £ | No | £ |
| Class A ordinary shares of £1 each | 423 | 423 | 423 | 423 |
| Class B ordinary shares of £1 each | 310 | 310 | 310 | 310 |
| | <u>733</u> | <u>733</u> | <u>733</u> | <u>733</u> |
| | <u><u>733</u></u> | <u><u>733</u></u> | <u><u>733</u></u> | <u><u>733</u></u> |

8. REVALUATION RESERVE

| | 2017 | 2016 |
|--------------------------|----------------------|----------------------|
| | £ | £ |
| Balance at 1 April 2016 | 29,405 | 29,405 |
| | <u>29,405</u> | <u>29,405</u> |
| Balance at 31 March 2017 | <u><u>29,405</u></u> | <u><u>29,405</u></u> |

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2017 | 2016 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Excess income over expenditure for the year | 12,372 | 6,520 |
| Amount due to shareholders | - | - |
| | <u>12,372</u> | <u>6,520</u> |
| Amount transferred to sinking funds | 12,372 | 6,520 |
| Shareholders' funds at 1 April 2016 | 302,388 | 295,868 |
| Utilisation of sinking fund reserve | (34,543) | - |
| | <u>280,217</u> | <u>302,388</u> |
| Shareholders' funds at 31 March 2017 | <u><u>280,217</u></u> | <u><u>302,388</u></u> |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2017

10. SINKING FUND RESERVES

| | 2017 | 2016 |
|--|----------------|----------------|
| | £ | £ |
| Balance at 1 April 2016 | 272,250 | 265,730 |
| Transfer to sinking funds for the year | 12,372 | 6,520 |
| Pontoon repairs expenditure | (34,543) | - |
| | <u>250,079</u> | <u>272,250</u> |

The Sinking Fund was established some years ago to allow the company to set aside funds for the future replacement of estate and pontoon facilities for which the company is responsible at the end of their life.

At an extraordinary general meeting of the company held on 24 June 2014, a resolution was passed to authorise the Directors to withdraw up to £100,000 from the total Sinking Fund Reserves and use for the sole purpose of pursuing litigation against Shareholders who breach and/or fail to remedy breaches of covenants and regulations.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31st MARCH 2017

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DETAILED INCOME STATEMENT

YEAR ENDED 31st MARCH 2017

| | 2017 £ | 2017 Budget £ | 2016 £ |
|--------------------------------------|-------------------|------------------------------|-------------------|
| SERVICE CHARGES RECEIVABLE | 474,449 | 474,449 | 458,030 |
| OVERHEADS | | | |
| Expenditure | 464,159 | 462,378 | 454,520 |
| | 10,290 | 12,071 | 3,510 |
| OTHER OPERATING INCOME | | | |
| Other income | 1,057 | 800 | 1,360 |
| OPERATING SURPLUS | 11,347 | 12,871 | 4,870 |
| Interest receivable | 1,281 | 1,000 | 2,063 |
| EXCESS INCOME BEFORE TAXATION | 12,628 | 13,871 | 6,933 |
| Tax on interest receivable | 256 | - | 413 |
| TOTAL EXCESS INCOME FOR YEAR | 12,372 | 13,871 | 6,520 |

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO DETAILED INCOME STATEMENT

YEAR ENDED 31st MARCH 2017

| | 2017 £ | 2017 Budget £ | 2016 £ |
|-------------------------------------|----------------|---------------------|-----------|
| EXPENDITURE | | | |
| Port Solent charge | 207,368 | 207,369 | 182,772 |
| Estate | | | |
| Landscape maintenance | 71,270 | 88,039 | 60,934 |
| Estate Security | 827 | 2,640 | 621 |
| Estate Maintenance | 14,602 | 24,600 | 4,958 |
| Television system maintenance | 540 | 1,200 | 750 |
| | 87,239 | 116,479 | 67,263 |
| Berths | | | |
| Pontoon repairs | 583 | 5,000 | 14,840 |
| Administration | | | |
| Audit fee | 4,200 | 4,080 | 4,080 |
| Professional fees [see below] | 72,063 | 24,360 | 89,097 |
| Directors' Expenses | - | - | - |
| Management Company Expenses | 81,960 | 91,075 | 85,680 |
| Insurance | 8,942 | 9,465 | 8,837 |
| Communication with shareholders | 1,336 | 3,300 | 1,184 |
| Provision against recovery of debts | - | - | - |
| Sundry expenses | - | 250 | - |
| | 168,501 | 132,530 | 188,878 |
| Tax and Rates | | | |
| Water rates | 468 | 1,000 | 767 |
| | 464,159 | 462,378 | 454,520 |

Analysis of Professional fees:

| | 2017 £ | 2016 £ |
|---------------------------|---------------|---------------|
| Legal fees for advice re: | | |
| Car parking | - | 423 |
| Covenants enforcement | 13,842 | 659 |
| Oyster Quay gate | 57,641 | 87,500 |
| Taxation Advice | 360 | 360 |
| Court Issue Fees | 180 | 115 |
| Annual Return Fee | 40 | 40 |
| | 72,063 | 89,097 |