

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

taylorcocks

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
United Kingdom
PO6 3TH

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

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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 N.K. Padbury J.D Shaw R.G Sillence
Secretary	I.H. Currie
Registered office	46 Leigh Road Eastleigh United Kingdom SO50 9DT
Auditor	Taylorcocks 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire United Kingdom PO6 3TH

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

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 held office during the year and up to the date of signature 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

N.K. Padbury (appointed 20/10/17)

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

R.G. Sillence

J.D. Shaw

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 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 £588 (2017 - £578) 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 17 August 2018

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

Opinion

We have audited the financial statements of Posol Residents Management Company Limited (the 'company') for the year ended 31 March 2018 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

Opinions 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.

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 Directors' 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 Directors' Report and take advantage of the small companies exemption from the requirement to prepare a

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Graham Figgins FCA (Senior Statutory Auditor)
for and on behalf of

taylorcocks

Chartered Accountants
Statutory Auditor

3 September 2018

Office: Portsmouth

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
INCOME RECEIVABLE		485,934	474,449
Administrative expenses		(465,797)	(464,159)
Other operating income		1,520	1,057
		<hr/>	<hr/>
OPERATING SURPLUS	2	21,657	11,347
Interest receivable		164	1,281
		<hr/>	<hr/>
TOTAL EXCESS INCOME AFTER EXPENSES		21,821	12,628
Tax on interest receivable	3	(31)	(256)
		<hr/>	<hr/>
EXCESS Income for the year		21,790	12,372
Amount due to shareholders		(7,816)	-
Transfer to sinking funds:			
Based on 3.0% of administrative expenses	10	(13,974)	(12,372)
		<hr/>	<hr/>
RESULTS FOR THE YEAR		-	-
		<hr/>	<hr/>

The notes on pages 9 to 12 form part of these financial statements

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED**BALANCE SHEET****AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets			29,405		29,405
Current assets					
Debtors	5	15,608		17,489	
Cash at bank and in hand		382,714		266,798	
		<u>398,322</u>		<u>284,287</u>	
Creditors: amounts falling due within one year	6	<u>(133,536)</u>		<u>(33,475)</u>	
Net current assets			<u>264,786</u>		<u>250,812</u>
Total assets less current liabilities			<u>294,191</u>		<u>280,217</u>
Capital and reserves					
Called-up equity share capital	7		733		733
Revaluation reserve	8		29,405		29,405
Sinking funds	10		264,053		250,079
Total equity			<u>294,191</u>		<u>280,217</u>

These financial statements 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 and authorised for issue on 17 August 2018 and are signed on its behalf by:

I.H. CURRIE - DIRECTOR

J.SHAW - DIRECTOR

Company Registration No. 02279323

The notes on pages 9 to 12 form part of these financial statements

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

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.

1.1 Income receivable

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

2 Operating surplus

	2018	2017
	£	£
Operating surplus is stated after charging:		
Auditor's fees	4,320	4,200

The directors received no emoluments for their services (2017 - £Nil). In his capacity as Company Secretary, Mr I.H. Currie received fees of £3,600 (2017 - £3,600).

3 Taxation

	2018	2017
	£	£
Current tax:		
In respect of the year:		
UK corporation tax	31	256
Total current tax	31	256

4 Fixed Assets - Land and Buildings

	2018	2017
	£	£
Balance as at 1 April 2017	29,405	29,405
Balance as at 31 March 2018	29,405	29,405

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Amounts due from shareholders	7,544	14,991
Prepayments and accrued income	8,064	2,498
	<u>15,608</u>	<u>17,489</u>

6 Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed to shareholders	92,541	11,477
Other creditors	7,138	7,138
Trade creditors	14,867	216
Corporation tax	31	348
Accruals and deferred income	18,959	14,296
	<u>133,536</u>	<u>33,475</u>

7 Authorised share capital

	2018	2017
	£	£
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>
Allotted, called up and fully paid:		
423 Class A Ordinary shares of £1 each	423	423
310 Class B Ordinary shares of £1 each	310	310
	<u>733</u>	<u>733</u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Revaluation reserve

	2018	2017
	£	£
Balance at 1 April 2017	29,405	29,405
Balance at 31 March 2018	29,405	29,405

9 Reconciliation of movements in shareholders' funds

	2018	2017
	£	£
Excess income over expenditure for the year	21,790	12,372
Amount due to shareholders	(7,816)	-
Amount transferred to sinking funds	13,974	12,372
Shareholders' funds at 1 April 2017	280,217	302,388
Utilisation of sinking fund reserve	-	(34,543)
Shareholders' funds at 31 March 2018	294,191	280,217

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Sinking fund reserve

	2018	2017
	£	£
Balance at 1 April 2017	250,079	272,250
Transfer to sinking funds for the year	13,974	12,372
Pontoon repairs expenditure	-	(34,543)
	<hr/>	<hr/>
Balance at 31 March 2018	<u>264,053</u>	<u>250,079</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

FOR THE YEAR ENDED 31 MARCH 2018

The following pages do not form part of the statutory financial statements

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2018 Budget £	2017 £
SERVICE CHARGES RECEIVABLE	485,934	485,934	474,449
OVERHEADS			
Expenditure	465,797	472,655	464,159
	20,137	13,279	10,290
OTHER OPERATING INCOME			
Other income	1,520	800	1,057
OPERATING SURPLUS	21,657	14,079	11,347
Interest receivable	164	100	1,281
INCOME BEFORE TAXATION	21,821	14,179	12,628
Tax on interest receivable	31	-	256
TOTAL INCOME FOR YEAR	21,790	14,179	12,372
TRANSFER TO SINKING FUNDS	(13,974)	(14,179)	(12,372)
SURPLUS AVAILABLE TO SHAREHOLDERS	7,816	-	-

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2018 Budget £	2017 £
EXPENDITURE			
Port Solent charge	215,663	215,664	207,368
Estate			
Landscape maintenance	113,073	109,200	71,270
Estate Security	1,850	2,640	827
Estate Maintenance	9,938	16,516	14,602
Television system maintenance	720	1,200	540
	125,581	129,556	87,239
Berths			
Pontoon repairs	-	5,000	583
Administration			
Audit fee	4,320	4,200	4,200
Professional fees [see below]	34,883	24,360	72,063
Directors' Expenses	-	-	-
Management Company Expenses	71,913	76,200	81,960
Insurance	9,334	9,525	8,942
Communication with shareholders	2,778	6,900	1,336
Provision against recovery of debts	-	-	-
Sundry expenses	-	250	-
	123,228	121,435	168,501
Tax and Rates			
Water rates	1,325	1,000	468
	465,797	472,655	464,159

Analysis of Professional fees:

	2018 £	2017 £
Legal fees for advice re:		
Car parking	-	-
Covenants enforcement	33,527	13,842
Oyster Quay gate	500	57,641
Taxation advice	360	360
Court issue fees	-	180
Annual return fee	40	40
Accounts preparation fee	132	-
Bank admin fee	144	-
Fire risk assessment	180	-
	34,883	72,063