

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

tc accounts · tax · legal · financial planning
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Portsmouth
Hampshire
United Kingdom
PO6 3TH

CONTENTS

	Page
Officers and professional advisers	1
The directors' report	2 - 3
Independent auditor's report to the shareholders	4 - 6
Income statement	7
Balance sheet	8
Notes to the financial statements	9 - 12

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J.D Shaw (Chairman) M.D. Abrams D.D. August I.H. Currie P.L. Maistre N.K. Padbury R.G Sillence
Secretary	I.H. Currie
Registered office	11 Little Park Farm Road Fareham Hampshire PO15 5SN
Auditor	TC Group 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 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

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:

J.D. Shaw (Chairman)

M.D. Abrams

D.D. August

I.H. Currie

P.L. Maistre

N.K. Padbury

R.G. Sillence

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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

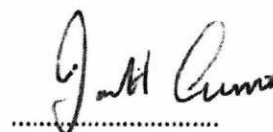
During the year £756 (2018 - £588) was expensed by the company in respect of Directors and Officers liability insurance.

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:
11 Little Park Farm Road
Fareham
Hampshire
PO15 5SN

Signed by order of the directors



I.H. CURRIE

Director

Approved by the directors on 23rd August 2019

Opinion

We have audited the financial statements of Posol Residents Management Company Limited (the 'company') for the year ended 31 March 2019 which comprise the income statement, the balance sheet 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 2019 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.

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.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

Use of our 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.

TC Group

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

Statutory Auditor
Office: Portsmouth

Date: *5 September 2019*

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£	£
INCOME RECEIVABLE		502,199	485,934
Administrative expenses		(489,250)	(465,797)
Other operating income		3,556	1,520
		<hr/>	<hr/>
OPERATING SURPLUS	2	16,505	21,657
Interest receivable		481	164
		<hr/>	<hr/>
TOTAL EXCESS INCOME AFTER EXPENSES		16,986	21,821
Tax on interest receivable	3	(91)	(31)
		<hr/>	<hr/>
EXCESS Income for the year		16,895	21,790
Amount due to shareholders		-	(7,816)
Transfer to sinking funds:			
Based on a maximum of 5.0% of administrative expenses (2018: 3%)	10	(16,895)	(13,974)
		<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

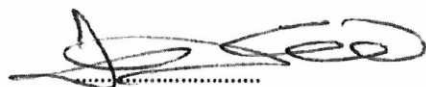
BALANCE SHEET

AS AT 31 MARCH 2019

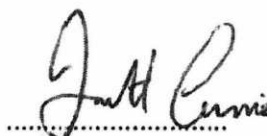
	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets			29,405		29,405
Current assets					
Debtors	5	11,935		15,608	
Cash at bank and in hand		302,024		382,714	
		<u>313,959</u>		<u>398,322</u>	
Creditors: amounts falling due within one year	6	<u>(32,278)</u>		<u>(133,536)</u>	
Net current assets			281,681		264,786
Total assets less current liabilities			<u>311,086</u>		<u>294,191</u>
Capital and reserves					
Called-up equity share capital	7		733		733
Revaluation reserve	8		29,405		29,405
Sinking funds	10		280,948		264,053
Total equity			<u>311,086</u>		<u>294,191</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 23rd August 2019 and are signed on its behalf by:



J. SHAW - DIRECTOR



I.H. CURRIE - DIRECTOR

Company Registration No. 02279323

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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

	2019	2018
	£	£
Operating surplus is stated after charging:		
Auditor's fees	4,500	4,320
	<u> </u>	<u> </u>

The directors received no emoluments for their services (2018 - £Nil). In his capacity as Company Secretary, Mr I.H. Currie received fees of £3,600 (2018 - £3,600).

3 Taxation

	2019	2018
	£	£
Current tax:		
In respect of the year:		
UK corporation tax	91	31
	<u> </u>	<u> </u>
Total current tax	91	31
	<u> </u>	<u> </u>

4 Fixed Assets - Land and Buildings

	2019	2018
	£	£
Balance as at 1 April 2018	29,405	29,405
	<u> </u>	<u> </u>
Balance as at 31 March 2019	29,405	29,405
	<u> </u>	<u> </u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Amounts due from shareholders	3,209	7,544
Prepayments and accrued income	2,405	8,064
Other debtors	6,321	-
	<u>11,935</u>	<u>15,608</u>

6 Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to shareholders	15,186	92,541
Other creditors	7,138	7,138
Trade creditors	-	14,867
Corporation tax	123	31
Accruals and deferred income	9,831	18,959
	<u>32,278</u>	<u>133,536</u>

7 Authorised share capital

	2019	2018
	£	£
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 2019

8 Revaluation reserve

	2019	2018
	£	£
Balance at 1 April 2018	29,405	29,405
	<u> </u>	<u> </u>
Balance at 31 March 2019	29,405	29,405
	<u> </u>	<u> </u>

9 Reconciliation of movements in shareholders' funds

	2019	2018
	£	£
Excess income over expenditure for the year	16,895	21,790
Amount due to shareholders	-	(7,816)
	<u> </u>	<u> </u>
Amount transferred to sinking funds	16,895	13,974
Shareholders' funds at 1 April 2018	294,191	280,217
	<u> </u>	<u> </u>
Shareholders' funds at 31 March 2019	311,086	294,191

10 Sinking fund reserve

	2019 £	2018 £
Balance at 1 April 2018	264,053	250,079
Transfer to sinking funds for the year	16,895	13,974
	<u> </u>	<u> </u>
Balance at 31 March 2019	<u>280,948</u>	<u>264,053</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 2019

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 2019

	2019 £	Budget £	2018 £
SERVICE CHARGES RECEIVABLE	502,199	502,196	485,934
 OVERHEADS			
Expenditure	489,250	479,091	465,797
	<u>12,949</u>	<u>23,105</u>	<u>20,137</u>
 OTHER OPERATING INCOME			
Other income	3,556	800	1,520
	<u>16,505</u>	<u>23,905</u>	<u>21,657</u>
OPERATING SURPLUS			
Interest receivable	481	50	164
	<u>16,986</u>	<u>23,955</u>	<u>21,821</u>
INCOME BEFORE TAXATION			
Tax on interest receivable	91	-	31
	<u>16,895</u>	<u>23,955</u>	<u>21,790</u>
TOTAL INCOME FOR YEAR			
TRANSFER TO SINKING FUNDS	(16,895)	(23,955)	(13,974)
	<u>-</u>	<u>-</u>	<u>7,816</u>
SURPLUS AVAILABLE TO SHAREHOLDERS			
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>7,816</u></u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	Budget £	2018 £
EXPENDITURE			
Port Solent charge	224,290	224,291	215,663
Estate landscape maintenance	103,564	98,160	113,073
Estate security	-	1,440	1,850
Estate maintenance	28,754	11,775	9,938
Television system maintenance	912	1,200	720
	133,230	112,575	125,581
Berths			
Pontoon repairs	2,760	4,000	-
Administration			
Audit fee	4,500	4,320	4,320
Professional fees [see below]	31,897	38,760	34,883
Management company expenses	80,600	79,200	71,913
Insurance	7,391	9,835	9,334
Communication with shareholders	2,488	4,860	2,778
Sundry expenses	-	250	-
	126,876	137,225	123,228
Rates			
Water rates	2,094	1,000	1,325
	489,250	479,091	465,797

Analysis of Professional fees:

	2019 £	2018 £
Legal fees for advice re:		
Covenants enforcement	31,497	33,527
Oyster Quay gate	-	500
Taxation advice	360	360
Annual return fee	40	40
Accounts preparation fee	-	132
Bank admin fee	-	144
Fire risk assessment	-	180
	31,897	34,883