

Company registration number 02279323 (England and Wales)

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

tc accounts · tax · legal · financial planning

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
Hampshire
PO6 3TH

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

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POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J.D Shaw (Chairman) M.D. Abrams I.H. Currie P.L. Maistre N.K. Padbury R.G Sillence D.J. Wilson
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 PO6 3TH

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

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

I.H. Currie

P.L. Maistre

N.K. Padbury

R.G. Sillence

D.J. Wilson (Appointed 20/07/2022)

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 £457 (2022 - £448) 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 28/07/23

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 2023 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 in relation to which 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 from the requirement to prepare a strategic report.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

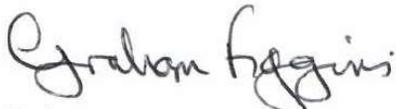
POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

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.



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

Statutory Auditor

Date: 31/7/2023

Office: Portsmouth

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
	Notes	£	£
INCOME RECEIVABLE		557,064	546,975
Administrative expenses		(503,208)	(473,521)
Other operating income		3,515	3,690
		<hr/>	<hr/>
OPERATING SURPLUS	3	57,371	77,144
Interest receivable		956	41
		<hr/>	<hr/>
TOTAL EXCESS INCOME AFTER EXPENSES		58,327	77,185
Tax on interest receivable	4	(182)	(8)
		<hr/>	<hr/>
EXCESS Income for the year		58,145	77,177
Amount due to shareholders		(11,145)	(37,177)
Transfer to sinking funds	12	(47,000)	(40,000)
		<hr/>	<hr/>
RESULTS FOR THE YEAR		-	-
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 10 to 14 form part of these financial statements

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets			29,405		29,405
Investments	5		200,000		-
			<u>229,405</u>		<u>29,405</u>
Current assets					
Debtors	7	6,440		15,955	
Cash at bank and in hand		246,036		510,167	
		<u>252,476</u>		<u>526,122</u>	
Creditors: amounts falling due within one year	8	<u>(89,493)</u>		<u>(136,515)</u>	
Net current assets			<u>162,983</u>		<u>389,607</u>
Total assets less current liabilities			<u>392,388</u>		<u>419,012</u>
Capital and reserves					
Called-up equity share capital	9		733		733
Revaluation reserve	10		29,405		29,405
Sinking funds	12		362,250		388,874
Total equity			<u>392,388</u>		<u>419,012</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 28/07/23 and are signed on its behalf by:



J. SHAW - DIRECTOR



I.H. CURRIE - DIRECTOR

Company Registration No. 02279323

The notes on pages 10 to 14 form part of these financial statements

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the directors there are no significant judgements or areas of estimation uncertainty.

3 Operating surplus

	2023	2022
	£	£
Operating surplus is stated after charging:		
Auditor's fees	5,760	5,160
	<u> </u>	<u> </u>

The directors received no emoluments for their services (2022 - £Nil). In his capacity as Company Secretary, Mr I.H. Currie received fees of £4,080 (2022 - £3,960).

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4	Taxation	2023	2022
		£	£
	Current tax:		
	In respect of the year:		
	UK corporation tax	182	8
	Total current tax	<u>182</u>	<u>8</u>
5	Fixed asset investments	2023	2022
		£	£
	Other investments other than loans	200,000	-
		<u>200,000</u>	<u>-</u>
	Movements in fixed asset investments		Investments
			£
	Cost or valuation		
	At 1 April 2022		-
	Additions		200,000
	At 31 March 2023		<u>200,000</u>
	Carrying amount		
	At 31 March 2023		<u>200,000</u>
	At 31 March 2022		<u>-</u>
6	Fixed Assets - Land and Buildings	2023	2022
		£	£
	Balance as at 1 April 2022	29,405	29,405
	Balance as at 31 March 2023	<u>29,405</u>	<u>29,405</u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Debtors		
	2023	2022
	£	£
Amounts falling due within one year:		
Amounts due from shareholders	3,950	4,402
Prepayments and accrued income	2,490	2,425
Other debtors	-	9,128
	<u>6,440</u>	<u>15,955</u>
8 Creditors: amounts falling due within one year		
	2023	2022
	£	£
Amounts owed to shareholders	48,324	85,854
Other creditors	5,481	5,481
Trade creditors	3,501	2,380
Corporation tax	182	8
Accruals and deferred income	32,005	42,792
	<u>89,493</u>	<u>136,515</u>
9 Authorised share capital		
	2023	2022
	£	£
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 2023

10	Revaluation reserve	2023	2022
		£	£
	Balance at 1 April 2022	29,405	29,405
	Balance at 31 March 2023	<u>29,405</u>	<u>29,405</u>
11	Reconciliation of movements in shareholders' funds	2023	2022
		£	£
	Excess income over expenditure for the year	58,145	77,177
	Amount due to shareholders	(11,145)	(37,177)
	Amount transferred to sinking funds	47,000	40,000
	Shareholders' funds at 1 April 2022	419,012	379,012
	Utilisation of sinking fund reserve	(73,624)	-
	Shareholders' funds at 31 March 2023	<u>392,388</u>	<u>419,012</u>

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Sinking fund reserve	2023	2022
	£	£
Balance at 1 April 2022	388,874	348,874
Transfer to sinking funds for the year	47,000	40,000
Pontoon repairs expenditure	(73,624)	-
Balance at 31 March 2023	<u>362,250</u>	<u>388,874</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 2023

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 2023

	2023 Actual £	2023 Budget £	2022 Actual £
SERVICE CHARGES RECEIVABLE	557,064	557,064	546,975
OVERHEADS			
Expenditure	503,208	524,274	473,521
	53,856	32,790	73,454
OTHER OPERATING INCOME			
Other income	3,515	2,190	3,690
OPERATING SURPLUS	57,371	34,980	77,144
Interest receivable	956	20	41
INCOME BEFORE TAXATION	58,327	35,000	77,185
Tax on interest receivable	182	-	8
TOTAL INCOME FOR YEAR	58,145	35,000	77,177
TRANSFER TO SINKING FUNDS	(47,000)	(35,000)	(40,000)
SURPLUS AVAILABLE TO SHAREHOLDERS	11,145	-	37,177

POSOL RESIDENTS MANAGEMENT COMPANY LIMITED

SCHEDULES TO THE INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	2023 Actual £	2023 Budget £	2022 Actual £
EXPENDITURE			
Port Solent charge	230,466	239,685	230,466
Estate landscape maintenance	116,690	114,874	99,447
Estate security	120	1,800	469
Estate and television system maintenance	11,041	18,588	2,702
	127,851	135,262	102,618
Berths			
Pontoon repairs	3,433	5,000	4,330
Administration			
Audit fee	5,760	5,160	5,160
Professional fees [see below]	33,222	29,520	27,983
Management company expenses	89,876	90,932	86,354
Insurance	9,361	9,795	9,129
Communication with shareholders	1,512	4,920	7,731
Sundry expenses	-	-	-
	139,731	140,327	136,357
Rates			
Water rates	1,727	4,000	(250)
	503,208	524,474	473,521

Analysis of Professional fees:

	2023 £	2022 £
Legal fees for advice re:		
Various issues relating to potential breaches of covenants, HMOs/Alterations/Boundary issues	32,862	27,623
Taxation advice	360	360
	33,222	27,983