

Company Registration No. 01339500 (England and Wales)

**Basil Mansions Management Company Limited**

**Annual report and financial statements  
for the year ended 25 March 2016**

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## **Basil Mansions Management Company Limited**

### **Company information**

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<b>Directors</b>	Michael Clarke Kenneth Prince-Wright
<b>Secretary</b>	Temple Secretarial Limited
<b>Company number</b>	01339500
<b>Registered office</b>	16 Old Bailey London EC4M 7EG
<b>Independent auditors</b>	Saffery Champness 71 Queen Victoria Street London EC4V 4BE

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# **Basil Mansions Management Company Limited**

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## **Basil Mansions Management Company Limited**

### **Report to the council**

**For the year ended 25 March 2016**

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The Council Members' report and financial statements for the year ended 25 March 2016.

#### **Principal activities**

The principal activity of the company is to regulate, control the use of and maintain the property and building known as Basil Mansions, London, SW3.

The company does not operate for profit. Expenditure relating to service charge expenditure amounted to £345,981 (2015: £368,216). This is recoverable from the freeholder and lessees of the flats in the covenanted proportions. The operating deficit of £14,675 (2015: deficit of £28,028) was recovered from the sinking fund used for major repairs and replacements.

Basil Mansions Management Company Limited also demanded £1,651,360 from the residents of the building to cover the anticipated expense of the major external works, which will commence during the year ended 25 March 2017. This is the additional expense over the proceeds of £1,341,950, after costs, received from the sale of the building's roof space on 14 April 2014 and contributed towards the major works expenditure.

#### **Council**

The following Members of the Council held office since 26 March 2015

Michael Clarke  
Kenneth Prince-Wright

#### **Auditor**

A resolution to re-appoint Saffery Champness as auditors and to authorise the Council to fix their remuneration will be proposed at the next annual general meeting.

#### **Statement of members' responsibilities**

The Council Members are responsible for the Report to the council and the financial statements in accordance with applicable law and regulations.

Company law requires the Council Members to prepare financial statements for each financial year which 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 those financial statements, the Council Members 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 Council Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. Council Members 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.

**Basil Mansions Management Company Limited**

**Report to the council**

**For the year ended 25 March 2016**

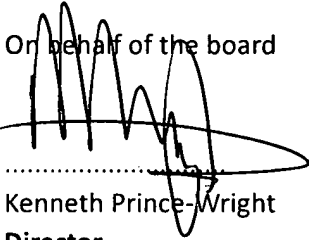
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**Statement of disclosure to auditor**

So far as the Council Members are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the Council Members have taken all the necessary steps that they ought to have taken as Council Members in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....  
Kenneth Prince-Wright

**Director**

14/12/16.....

## **Basil Mansions Management Company Limited**

### **Independent auditors' report**

#### **To the members of Basil Mansions Management Company Limited**

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We have audited the financial statements of Basil Mansions Management Company Limited for the year ended 25 March 2016 set out on pages 5 to 11. 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 auditors' 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 pages 1 - 2, 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 and express an opinion on 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 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 the 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 25 March 2016 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.

**Basil Mansions Management Company Limited**

**Independent auditors' report (continued)**

**To the members of Basil Mansions Management Company Limited**

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**Opinion on other matters prescribed by the Companies Act 2006**

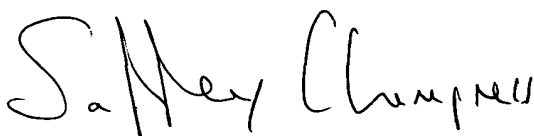
In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable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

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 any material misstatements in the Directors' Report.

**Matters on which we are required to report by exception**

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 Members of Council 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 strategic report.



**Jamie Cassell (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness**

14/12/16

**Chartered Accountants**  
**Statutory Auditors**

71 Queen Victoria Street  
London  
EC4V 4BE

**Basil Mansions Management Company Limited****Statement of comprehensive income  
For the year ended 25 March 2016**

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Turnover		336,623	337,359
Administrative expenses		(354,541)	(368,216)
<b>Operating profit</b>	<b>3</b>	<b>(17,918)</b>	<b>(30,857)</b>
Interest receivable and similar income		3,243	2,829
Other operating income		1,651,360	1,341,950
Interest payable and similar expenses		(112)	-
<b>(Deficit)/surplus of income over expenditure before taxation</b>		<b>1,636,573</b>	<b>1,313,922</b>
Taxation		2,041	(290,036)
<b>(Deficit)/surplus of income over expenditure after taxation</b>		<b>1,638,614</b>	<b>1,023,886</b>
Transfer to sinking fund for major repairs and maintenance		(1,638,614)	(1,023,886)
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Retained Surplus</b>		<b>-</b>	<b>-</b>

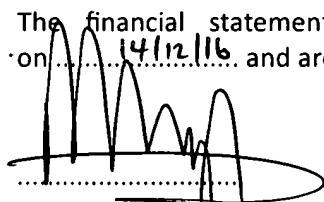
**Basil Mansions Management Company Limited**

**Statement of financial position  
As at 25 March 2016**

	Notes	£	2016 £	£	2015 £
<b>Current assets</b>					
Debtors	5	1,285,943		165,326	
Cash at bank and in hand		1,765,426		1,846,282	
		<u>3,051,369</u>		<u>2,011,608</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(164,513)</u>		<u>(763,366)</u>	
<b>Net current assets</b>			<u>2,886,856</u>		<u>1,248,242</u>
<b>Capital and reserves</b>					
Profit and loss reserves			<u>2,886,856</u>		<u>1,248,242</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 14/12/16 and are signed on its behalf by:

  
Kenneth Prince Wright  
Director

**Company Registration No. 01339500**

## **1 Accounting policies**

### **Company information**

Basil Mansions Management Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is 16 Old Bailey, London, EC4M 7EG.

### **1.1 Accounting convention**

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 £.

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 year ended 25 March 2016 are the first financial statements of Basil Mansions 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 26 March 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

### **1.2 Turnover**

Revenue represent amounts recoverable under the covenants entered into by the company with the freeholder and lessees. Revenue is recognised when the demands for payment are raised relating to the current service charge year. Deferred revenue consists of amounts paid in advance and not relating to the current service charge year.

### **1.3 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### **1.4 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1 Accounting policies (continued)**

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Classification of financial liabilities***

***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1 Accounting policies (continued)**

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**1.5 Taxation**

The tax expense represents the sum of the tax currently payable.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**1.6 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.7 Sinking Fund for Major Repairs and Replacements**

The provision is created by charging to expenditure the sums considered necessary to produce the amounts required to carry out future major repairs and replacements. To this is added interest earned net of corporation tax payable.

Items of expenditure are charged against the specific provision in the year incurred, to the extent that provisions are made.

**1.8 Interest receivable**

Interest on bank deposits is accounted for on the accruals basis; interest receivable on service charge arrears is brought to credit when received.

**Basil Mansions Management Company Limited**

**Notes to the financial statements (continued)**

**For the year ended 25 March 2016**

**2 Other Income**

Included in other income is £1,651,360 which relates to income contributions for external property works.

**3 Operating profit**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	6,250	6,250

**4 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Total	2	2

**5 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Trade debtors	381	3,917
Corporation tax recoverable	3,500	-
Other debtors	1,210,882	106,326
Prepayments and accrued income	71,180	55,083
	1,285,943	165,326

**Basil Mansions Management Company Limited**

**Notes to the financial statements (continued)**  
**For the year ended 25 March 2016**

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**6 Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Payments received on account	46,857	134,682
Trade creditors	-	176
Corporation tax	649	290,078
Other creditors	33,352	282,782
Accruals and deferred income	83,655	55,648
	<u>164,513</u>	<u>763,366</u>

**7 Related party transactions**

No remuneration was payable to Members of the Council in respect of their services to the company (2015: £nil).

**8 Control**

The directors consider that there is no ultimate controlling party.