

Company Registration Number: 3048135

**The Royal Borough of Kensington and Chelsea
Tenant Management Organisation Limited**

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2022

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ADMINISTRATIVE INFORMATION

Year ended 31 March 2022

The current directors, executive management and company secretary are listed below and changes to those who served during the period since 31 March 2021 are set out in the Report of the Directors.

BOARD OF DIRECTORS

All directors of the Company hold non-executive roles.

Mr Aman Dalvi	Director
Ms Ann Bennett	Director
Mr David Gannicott	Director

COMPANY SECRETARY

Mr Kerry Tromanhauser

REGISTERED OFFICE

Chelsea Old Town Hall
Kings Road
London
SW3 5EE

AUDITORS

Bright Grahame Murray
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

BANKERS

Lloyds Bank
P.O. Box 17328
11-15 Monument Street
London
EC3V 9JA

SOLICITORS

Kennedys Law
25 Fenchurch Avenue
London
EC3M 5AD

Devonshires Solicitors
30 Finsbury Circus
London
EC2M 7DT

REVIEW OF THE BUSINESS

The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited (KCTMO) was the largest tenant management organisation (TMO) in England, managing nearly 10,000 properties on behalf of Kensington and Chelsea London Borough Council – the entire council housing stock in the Royal Borough of Kensington and Chelsea.

KCTMO is a Company Limited by Guarantee meaning that profits made are not distributed to its members. The Company is owned by its members (4,837 as at 31 March 22), who are tenants or leaseholders of the Royal Borough of Kensington & Chelsea's (RBKC) housing stock and are eligible under the Company's rules.

Following the tragic fire in June 2017, changes were made to the arrangements between the Royal Borough of Kensington & Chelsea and KCTMO which ultimately led to the KCTMO handing back delivery of all day-to-day housing and related support services back to the Council effective 1 March 2018. This also entailed the TUPE transfer of all permanent employees. Repairs Direct, the subsidiary of KCTMO that carried out day to day repairs was also sold to the Council via a share sale agreement. The Council consulted with residents about the longer-term future management arrangements and continues to directly manage its housing properties.

From March 2018, and reflecting on its purpose as a residuary body, the organisation's activities have been funded by its historic reserves and financial support from RBKC. This relates to a Deed of Covenant signed by both organisations when the management of RBKC's stock was handed back by KCTMO. As part of this arrangement an annual budget is agreed, with RBKC agreeing with KCTMO the level of financial support.

The organisation operates in accordance with its constitution and consistent with its previous functions seeks to comply with the National Housing Federation's Code of Governance 2015. Where any non-compliance is identified actions are put in place to address this.

PRINCIPAL ACTIVITIES

The Company's principal activity during 2021/22 was to act as a residuary body to support and be accountable to the Grenfell Public Inquiry and all other legal proceedings arising from the Grenfell tragedy.

As the Kensington & Chelsea Tenant Management Organisation no longer receives income from providing services, the Royal Borough of Kensington and Chelsea have agreed to underwrite the cost of the organisation and claims made against it until its purpose is fulfilled. Based on this undertaking the Directors have produced these financial statements on a going concern basis. As investigations and the Public Inquiry into the fire are underway but have not reached conclusion the ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements. In addition, there is insufficient information about the possibility that contingent liabilities will crystallise.

RISKS AND UNCERTAINTIES

Following the handback the Board revised its risk register. Service related risks were passed to the Council and new risks were identified in relation to the residual role of KCTMO. These relate to the sustainability of the Board, the relationship with RBKC, information integrity, staffing, legacy issues and management of liabilities. Control measures are in place to manage these risks. KCTMO has now deregistered with HMRC for VAT purposes. However, VAT on costs continue to be recoverable in the immediate future. This is on the basis that KCTMO's activity directly relate to its activities when trading.

FUTURE DEVELOPMENTS

As the organisation remains in place to support and answer to the public inquiry, police prosecution and other legal proceedings its future is linked to progress of these.

Phase 2 of the Grenfell Tower Inquiry commenced in January 2020 and, after delays because of COVID-19, it has reached Module 4. Hearings are expected finish by the end of July. The Inquiry will then start to draft its report, which is unlikely to be published until 2023.

The organisation has also been named as a Defendant in a number of civil claims arising from the Grenfell Tower fire, in relation to which several sets of proceedings have been commenced, and to which the organisation will need to appropriately respond. RBKC is leading on managing these claims and has provided indemnities to KCTMO in relation to potential liabilities arising from them.

RESULTS

The Company's loss for the year after taxation was £31k (2021: £24k loss).

This report was approved by the Board on 14 July 2022



Kerry Tromanhauser
Company Secretary

The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited
REPORT OF DIRECTORS
Year ended 31 March 2022

BOARD MEMBERS

The current Board Members, who are the legal Directors of the Company, are listed on page 1 of the accounts.

Under the new constitution adopted on 23 October 2018, the Board consists of up to 5 Board Members. Pursuant to the KCTMO's chosen code of governance, board members are appointed for a term of three years and may be re-elected or re-appointed to a maximum overall length of nine years of service.

There were 3 members on the Board at the end of the year. The changes since the start of the year are set out below:

BOARD OF DIRECTORS

Mr Aman Dalvi	Appointed	30/11/2018
Ms Ann Bennett	Appointed	30/11/2018
Prof. ADH Crook	Resigned	16/02/2022
Mr David Gannicott	Appointed	08/03/2022

INTERIM SENIOR MANAGEMENT

Mr Kerry Tromanhauser	Appointed	28/09/2017
Mr Andrew Taylor	Appointed	03/06/2018

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all company directors.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

Each director who held office at the date of approval of this directors' report confirms that:

- So far as the director is aware, there is no relevant audit information, information needed by the company's auditor in connection with preparing their report, of which the company's auditor is unaware; and
- The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CONSTITUTION

The Company is limited by guarantee and is governed by its articles of association. The guarantors are listed in the Company's Register of Members. The liability in respect of the guarantee as set out in the articles of association is limited to £1 per member of the Company.

SMALL COMPANIES REGIME

This report has been prepared taking advantage of the exemptions for small companies within Part 15 of the Companies Act 2006.

This report was approved by the Board on 14 July 2022

Mr Kerry Tromanhauser
Company Secretary



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable laws 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 judgments and accounting estimates that are reasonable and prudent; and
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED
Year ended 31 March 2022

Opinion

We have audited the financial statements of The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited (the company) for the year ended 31 March 2022 set out on pages 10 to 17, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Accounting Policies and the Notes to the Financial Statements. 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 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). 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.

Material uncertainty in relation to going concern

We draw attention to the Going Concern note in Accounting Policies in the financial statements, which sets out that the organisation continues to be impacted by the investigations and public inquiry into the Grenfell Tower fire and the significant loss of life. These are underway however, they have not reached a conclusion and the ultimate outcome of these processes cannot presently be determined. As stated in the Going Concern note in Accounting Policies, there is therefore insufficient information about the possibility that contingent liabilities will crystallise and if they do, how the Company would be able to settle those liabilities. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED
Year ended 31 March 2022

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and 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 or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 5, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED

Year ended 31 March 2022

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation, employment legislation, health and safety.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition, related parties outside normal course of business, management override, misappropriation of cash and other assets.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL BOROUGH OF
KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED**

Year ended 31 March 2022

Due 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, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of this 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 that 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, or the opinions we have formed.

Bright Grahame Murray

Ahsan Miraj
Senior Statutory Auditor

For and on behalf of
Bright Grahame Murray
Chartered Accountants and Statutory Auditor

Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

14 July 2022

The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2022

	Notes	2022 £	2021 £
TURNOVER	1	440,000	570,000
Cost of sales		-	-
GROSS PROFIT		440,000	570,000
Administrative expenses		(471,681)	(593,994)
Other operating income		-	-
OPERATING PROFIT / (LOSS)		(31,681)	(23,994)
Interest Receivable		363	24
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(31,318)	(23,970)
Taxation	4	-	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(31,318)	(23,970)
LOSS AFTER TAXATION BEING THE LOSS FOR THE FINANCIAL YEAR		(31,318)	(23,970)

The notes on pages 12 to 17 form part of these financial statements.

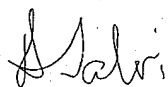
The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited
STATEMENT OF FINANCIAL POSITION
Year ended 31 March 2021

	Notes	£	2022 £	£	2021 £
CURRENT ASSETS					
Debtors within one year	5	110,001		97,587	
Cash at bank and in hand		<u>656,240</u>		<u>699,973</u>	
		766,241		797,560	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	6	<u>48,406</u>		<u>48,407</u>	
NET CURRENT ASSETS			717,835		749,153
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>717,835</u>		<u>749,153</u>
CAPITAL AND RESERVES					
Retained earnings	8		717,835		749,153
Members' funds			<u>717,835</u>		<u>749,153</u>

As disclosed in note 7, members derive no financial interest from their shareholding and accordingly all reserves are classed as non-equity.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the Companies Act 2006, Pt. 15, were approved by the Board of Directors on 14 July 2022 and signed on its behalf.

The financial statements on pages 10 to 17 were approved and authorised for issue by the Board on 14 July 2022 and signed on its behalf by:



Mr Aman Dalvi
Director

GENERAL INFORMATION

The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited ("the Company") is a company limited by guarantee domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is stated on the Administrative Information page.

The Company's principal activities and the nature of the Company's operations are given in the Strategic Report and the Directors' Report.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006 and under the historical cost convention modified to include certain financial instruments at fair value.

TAXATION

Taxation represents the sum of tax currently payable and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account on a straight-line basis.

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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ACCOUNTING POLICIES

Year ended 31 March 2022

FINANCIAL ASSETS

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Other debtors

Other debtors are initially measured at the transaction price and are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

FINANCIAL LIABILITIES AND EQUITY

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Other creditors

Other creditors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable. Turnover is shown net of Value Added Tax and comprises of funding from the Royal Borough of Kensington and Chelsea under a deed of covenant.

INTEREST INCOME

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

GOING CONCERN

The organisation continues to be impacted by the Grenfell Tower fire and the significant loss of life.

Investigations and the public inquiry into the fire are underway however none have reached conclusion; the ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements. In addition, there is insufficient information about the possibility that contingent liabilities will crystallise and if they do, how the company would be able to settle those liabilities. The effect that the crystallisation of contingent liabilities may have on the ability to continue as a going concern in the long term is also uncertain. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Despite the uncertainties about the liabilities arising from the fire and significant loss of life at Grenfell Tower, the Royal Borough of Kensington and Chelsea has signed a Deed of Covenant in which it has covenanted to continue to provide financial and such other support and assistance to KCTMO to such extent as is properly required for KCTMO to remain solvent on a going concern basis until the conclusion of the later of:

- a) the Inquiry;
- b) any criminal investigations and subsequent prosecution of KCTMO as a consequence of the tragedy;
- c) any civil proceedings brought against KCTMO or any of its staff or directors as a consequence of the Tragedy; and
- d) any statutory limitation period relating to the Tragedy has expired.

Because of the support described the directors were able to conclude that the organisation is a going concern for a period of at least 12 months from the date the accounts were signed and the accounts have therefore been prepared on a going concern basis.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions: the company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement: The directors do not consider there to be any areas of judgement that need to be brought to the attention of the readers of the accounts.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

1. TURNOVER

The Company's turnover was derived from its principal activities. Turnover is derived solely in the United Kingdom.

An analysis of the Company's turnover by class of business is as follows:

	2022	2021
	£	£
Funding Agreement with RBKC	<u>440,000</u>	<u>570,000</u>
	<u>440,000</u>	<u>570,000</u>

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2022	2021
	£	£
This is stated after charging:		
Operating lease rentals - plant and machinery	7,487	7,456
Fees payable to the company's auditor		
- Statutory audit of financial statements	10,700	10,500
- All other non-audit services	1,750	2,200

3. EMPLOYEES

There were no persons employed by the entity at 31 March 2021, or 31 March 2022, as all staff had transferred to RBKC under TUPE at 1 March 2018.

Three Board Members have been paid allowances and expenses of £14,688 (2021 £15,000). Further expenses were reimbursed for expenses incurred of £84 (2021 nil).

The total remuneration of the individuals who are considered to be the key management personnel of the Company, was £148,459 (2021 £198,525).

The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

4. TAXATION

	2022 £	2021 £
Current tax and deferred tax	-	-
Total tax on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE/(CREDIT) FOR THE YEAR:

	2022 £	2021 £
The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:		
Profit/(Loss) on ordinary activities before tax	<u>(31,318)</u>	<u>(23,970)</u>
Profit/(Loss) multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(5,950)	(4,554)
Effects of:		
Deferred tax not recognised	<u>5,950</u>	<u>4,554</u>
Total tax on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

5. DEBTORS

	2022 £	2021 £
Amounts falling due within one year:		
Other taxes and social security	100,172	83,625
Prepayments and accrued income	<u>9,829</u>	<u>13,962</u>
	<u>110,001</u>	<u>97,587</u>

6. CREDITORS

	2022 £	2021 £
Amounts falling due within one year:		
Trade creditors	12,704	2,241
Accruals and deferred income	<u>35,702</u>	<u>46,166</u>
	<u>48,406</u>	<u>48,407</u>

The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

7. MEMBERS

The company is limited by guarantee and the liability of members to contribute to any deficiency of assets is £1 per member. The members have no rights to the income or assets of the company.

8. RESERVES

Reserves of the Company represent the following:

	2022	2021
	£	£
Retained earnings	<u>717,835</u>	<u>749,153</u>
	<u>717,835</u>	<u>749,153</u>

9. RELATED PARTIES

Since March 2018, the Company operates as a residuary body for one purpose, which is to support and be accountable to the Grenfell Tower Inquiry and all legal proceedings arising from the tragic fire. The Company receives funding from the Royal Borough of Kensington and Chelsea (RBKC), under a Deed of Covenant, to ensure it remains viable until its purpose is fulfilled.

10. OPERATING LEASES

Rentals paid under operating leases are charged in the profit and loss account on a straight-line basis over the period of the lease.

	2022	2021
	£	£
Leases expiring one year	3,498	7,483
Leases expiring between one year and five years	-	3,498
Leases expiring after five years	<u>-</u>	<u>-</u>
	<u>3,498</u>	<u>10,981</u>

11. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.