

Registration number 27855R (England and Wales)

**COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION
LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

ORGANISATION INFORMATION

Board of Management	M Corney (Vice Treasurer) M Nazarenko (Treasurer) S Seymour (Secretary) J Kroll (acting Chair) K Duong L Bishop S Kerbel Mrs Tracey Collins J Steer M Philip S Newman E Hernansanz Perez	(Appointed 4 June 2024) (Appointed 4 June 2024) (Appointed 4 June 2024) (Appointed 4 June 2024) (Appointed 4 June 2024) (Appointed 4 June 2024) (Appointed 4 June 2024) (Appointed 4 June 2024)
Secretary	S Seymour (Secretary)	
Company number	27855R	
Registered office	1 Opal Street Kennington London SE11 4HZ	
Auditor	Sumer AuditCo Limited The Beehive Beehive Ring Road London Gatwick Airport Gatwick United Kingdom RH6 0PA	

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

CONTENTS

	Page
Report of the board of management	1 - 2
Board of management responsibilities statement	3
Independent auditor's report	4 - 7
Income and expenditure account	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 17

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2024

The board members present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The organisation's principal activity during the year was the management and maintenance of property on the Cottington Close Estate, via a management agreement with the London Borough of Lambeth, in accordance with the management agreement.

Board of Management

The board members who held office during the year and up to the date of signature of the financial statements were as follows:

S Gayle (Chair)	(Resigned 24 May 2024)
M Corney (Vice Treasurer)	
K Zacharska	(Resigned 14 July 2023)
C Robinson	(Resigned 12 April 2024)
M Nazarenko (Treasurer)	
P Street (Vice Chair)	(Resigned 30 October 2023)
S Seymour (Secretary)	
J Kroll (acting Chair)	
N Desmond	(Appointed 1 November 2023 and resigned 30 November 2023)
K Duong	
G Cooper	(Resigned 1 March 2024)
C Jacobs	(Resigned 29 February 2024)
L Bishop	(Appointed 4 June 2024)
S Kerbel	(Appointed 4 June 2024)
Mrs Tracey Collins	(Appointed 4 June 2024)
J Steer	(Appointed 4 June 2024)
M Philip	(Appointed 4 June 2024)
S Newman	(Appointed 4 June 2024)
E Hermansanz Perez	(Appointed 4 June 2024)

Auditor

In accordance with the organisation's articles, a resolution proposing that Sumer Auditco Limited be reappointed as auditor of the organisation will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a board member at the date of approving this report is aware, there is no relevant audit information of which the organisation's auditor is unaware. Additionally, the board members individually have taken all the necessary steps that they ought to have taken as a board in order to make themselves aware of all relevant audit information and to establish that the organisation's auditor is aware of that information.

Small organisation rules

The board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION
LIMITED**

**REPORT OF THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

By order of the board



S Seymour (Secretary)
Secretary

7 August 2024

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

BOARD OF MANAGEMENT RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

The board members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the board members to prepare financial statements for each financial year. Under that law the board members 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 board members 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 organisation and of the surplus or deficit of the organisation for that period. In preparing these financial statements, the board members 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 organisation will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The board members are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

Opinion

We have audited the financial statements of Cottingham Close Residents' Management Organisation Limited (the 'organisation') for the year ended 31 March 2024 which comprise the income and expenditure account, the balance sheet, the statement of changes in equity 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 organisation's affairs as at 31 March 2024 and of its surplus 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 Co-operative and Community Benefit Societies Act 2014.

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 organisation 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 board members 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 organisation'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 board members 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 board members 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.

Opinions on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the board of management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board of management report has been prepared in accordance with applicable legal requirements.

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the organisation and its environment obtained in the course of the audit, we have not identified material misstatements in the board of management report. We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 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 committee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board members 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 board of management report and from the requirement to prepare a strategic report.

Responsibilities of the board members

As explained more fully in the board members responsibilities statement, the board members 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 board members 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 board members are responsible for assessing the organisation'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 board members either intend to liquidate the organisation 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below:

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

- enquiries of management, including obtaining and reviewing supporting documentation, concerning the organisation's policies and procedures relating to identifying, evaluating and complying with laws and regulations, and whether they are aware of any instances of non-compliance.
- as with all audits performed under ISAs (UK), performance of procedures to respond to the risk of the management override of controls.
- we obtained an understanding of the legal and regulatory frameworks in which the company operates, focusing on those laws which had a direct effect on the material balances and disclosures in the organisation's financial statements. Key laws and regulations considered in this context were the Co-operative and Community Benefit Societies Act 2014 and the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102)
- we considered other laws and regulations that do not have a direct effect on the financial statements, but compliance is necessary for the continued operations of the organisation, or to avoid a material penalty.
- review minutes of meetings of the board members/those charged with governance.
- review the operation of the organisation's controls in relation to the preparation and presentation of management information.
- check that the financial statements agree with the accounting records
- assessment of identified fraud risk factors.
- reviewing managements significant accounting estimates and comparing to our own assessment.
- review significant and unusual transactions throughout the period to identify any instances of unreported related party transactions or risks of material misstatement due to fraud. In assessment of the risk of fraud through management override of controls, we have tested the appropriateness of journal entries, assessed whether the judgements made in the organisation making accounting estimates are indicative of a potential management bias and evaluated the business rationale of any significant transactions that are outside the normal course of business.
- ensure, so far as is reasonably possible, the completeness of the organisation's income
- audit the risk of management override through testing journal entries and other adjustments for appropriateness and investigate any transactions outside the normal activities
- review financial disclosures and test to supporting documentation
- agree allowances and other income received from the local council to third party evidence
- review afterdate records in depth to ensure that all expenses are correctly included in the financial statements.
- enquiring of management concerning any actual or potential litigation or claims.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but, except to the extent otherwise explicitly stated in our report, not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee
- Conclude on the appropriateness of the committees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our report

This report is made solely to the organisation's members, as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the organisation'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 the law, we do not accept or assume responsibility to anyone other than the organisation and its members as a body for our audit work, for this report, or for the opinions we have formed.

Mr Martin John Bradley FCCA
Senior Statutory Auditor
For and on behalf of Sumer AuditCo Limited

Date:

Chartered Accountants
Statutory Auditor

The Beehive
Beehive Ring Road
London Gatwick Airport
Gatwick
United Kingdom
RH6 0PA

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Income	520,414	488,895
Property maintenance	(315,169)	(259,588)
Operating gross surplus/(deficit)	<u>205,245</u>	<u>229,307</u>
Administrative expenses	(243,010)	(205,430)
Operating surplus/(deficit) before interest	<u>(37,765)</u>	<u>23,877</u>
Interest receivable and similar income	1,063	235
Surplus/(deficit) on ordinary activities before taxation	<u>(36,702)</u>	<u>24,112</u>
Tax on (loss)/profit	(202)	(45)
Surplus/(deficit) for the year after taxation	<u><u>(36,904)</u></u>	<u><u>24,067</u></u>

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

**COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION
LIMITED**

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	4		21,323		24,899
Current assets					
Debtors	5	803		4,756	
Cash at bank and in hand		438,702		467,152	
		439,505		471,908	
Creditors: amounts falling due within one year	6	(102,611)		(101,701)	
Net current assets			336,894		370,207
Net assets			358,217		395,106
Capital and reserves					
Shares	8		119		104
Contingency reserve	9		46,500		44,000
Boiler replacement reserve	10		95,723		108,600
Major works reserve	13		25,000		25,000
Other reserves	14		90,801		89,663
General reserves			100,074		127,739
Total equity			358,217		395,106

These financial statements have been prepared in accordance with the provisions applicable to organisations subject to the small organisations regime.

The financial statements were approved by the board members and authorised for issue on 7 August 2024 and are signed on its behalf by:

M Nazarenko (Treasurer)
Chair

S Seymour (Secretary)
Treasurer

J Kroll (acting Chair)
Secretary

Registration No. 27855R

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

		Notes	Shares	Contingency	Boiler replacement	Major works	Fixed asset	CCTV	Contingency	Surplus	Total
	£	£	£	£	£	£	£	£	£	£	£
Balance at 1 April 2022	102	44,000	108,600	25,000	11,226	17,607	66,000	98,502	371,037		
Year ended 31 March 2023:											
Surplus and total comprehensive income for the year	-	-	-	-	-	-	-	-	24,067	24,067	24,067
Issue of shares	2	-	-	-	-	-	-	-	-	-	2
Net income/(expenditure)	-	-	-	-	(697)	(4,473)	-	-	5,170	5,170	-
Balance at 31 March 2023	104	44,000	108,600	25,000	10,529	13,134	66,000	127,739	395,106		
Year ended 31 March 2024:											
Surplus and total comprehensive income for the year	-	-	-	-	-	-	-	-	(36,904)	(36,904)	(36,904)
Issue of shares	15	-	-	-	-	-	-	-	15	15	15
Net income/(expenditure)	-	-	(12,877)	-	1,049	(4,161)	-	-	15,989	15,989	-
Transfer between reserves	-	2,500	-	-	-	-	4,250	-	(6,750)	(6,750)	-
Balance at 31 March 2024	119	46,500	95,723	25,000	11,578	8,973	70,250	100,074	358,217		

**COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION
LIMITED**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(23,561)		42,238
Income taxes paid			-		(2)
Net cash (outflow)/inflow from operating activities			(23,561)		42,236
Investing activities					
Purchase of tangible fixed assets		(5,967)		(3,126)	
Interest received		1,063		235	
Net cash used in investing activities			(4,904)		(2,891)
Financing activities					
Proceeds from issue of shares		15		2	
Net cash generated from financing activities			15		2
Net (decrease)/increase in cash and cash equivalents			(28,450)		39,347
Cash and cash equivalents at beginning of year			467,152		427,805
Cash and cash equivalents at end of year			438,702		467,152

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

Cottingham Close Residents' Management Organisation Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014. The Co-operative is a public benefit entity, as defined in FRS102 and applies the relevant paragraphs prefixed "PBE" in FRS102. The registered office is 1 Opal Street, Kennington, London, SE11 4HZ.

1.1 Accounting convention

The financial statements are prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, Section 1A, *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS102) issued by the Financial Reporting Council and comply with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the organisation.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Income comprises the value of allowances from Lambeth Council and sundry sales excluding value added tax.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

CCTV equipment	14.3% Straight line
Estate equipment	25.0%, 14.3% and 10% Straight line
Office equipment and furniture	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the organisation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 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.

1.6 Financial instruments

Financial instruments are recognised in the organisation's balance sheet when the organisation becomes party to the contractual provisions of the instrument.

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.7 Taxation

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

Current tax

The tax currently payable is based on bank interest received for the year.

The organisation is registered for Value Added Tax, so amounts are shown net of VAT if applicable.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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 organisation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the organisation's accounting policies, the board members 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.

3 Employees

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

	2024 Number	2023 Number
Total	9	9

**COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Tangible fixed assets

	CCTV equipment	Estate equipment	Office equipment and furniture	Total
	£	£	£	£
Cost				
At 1 April 2023	31,277	33,787	4,154	69,218
Additions	-	5,291	676	5,967
At 31 March 2024	<u>31,277</u>	<u>39,078</u>	<u>4,830</u>	<u>75,185</u>
Depreciation and impairment				
At 1 April 2023	18,143	22,934	3,242	44,319
Depreciation charged in the year	4,162	4,942	439	9,543
At 31 March 2024	<u>22,305</u>	<u>27,876</u>	<u>3,681</u>	<u>53,862</u>
Carrying amount				
At 31 March 2024	<u>8,972</u>	<u>11,202</u>	<u>1,149</u>	<u>21,323</u>
At 31 March 2023	<u>13,134</u>	<u>10,853</u>	<u>912</u>	<u>24,899</u>

5 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	51	4,068
Prepayments and accrued income	752	688
	<u>803</u>	<u>4,756</u>

6 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	517	14,943
Corporation tax	247	45
Other taxation and social security	12,713	11,543
Other creditors	656	1,554
Accruals and deferred income	88,478	73,616
	<u>102,611</u>	<u>101,701</u>

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Retirement benefit schemes

Defined contribution schemes

The organisation operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the organisation in an independently administered fund by NEST.

8 Called up share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid				
Member shares of £1 each	119	104	119	104
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Each member holds one non-redeemable and non-transferrable share of £1. The shares carry no rights to interest, dividends or bonuses and there are no provisions for distribution on winding-up. Each shareholder has one vote.

15 member shares were issued during the year (2023: 2)

9 Surplus and reserve fund

Under the management agreement with the London Borough of Lambeth the Residents' Management Organisation has designated a reserve fund sufficient to meet anticipated costs arising from underspending on repairs and services, known commitments for future works at the year end, and an amount for contingencies, which is based on 10% of the allowances receivable for the year ended 31 March 2024.

10 Boiler replacement reserve

Since 1 April 2014 the Residents' Management Organisation has been responsible for the routine replacement of individual gas heating boilers on the estate and has received an allowance for that purpose, which has not been spent in full. A reserve has therefore been set up from the unspent allowances to meet the future liability.

Should the management agreement be terminated the balance on this specific Reserve Fund will revert to the London Borough of Lambeth.

11 Major works reserve

The balance of the major work and improvements reserve relates to future improvement works which the board wants to carry out and which was agreed by the members during the year.

12 Fixed assets reserve

A designated reserve to match the Residents' Management Organisation's office and estate equipment has been created with the year end balance equal to the net book value carried forward. This excludes the bicycle storage facility which is a source of income and will continue to be so, and also excludes the CCTV equipment, as this has been shown in its own separate reserve as detailed below.

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 CCTV installation reserve

Members agreed to the expenditure of up to £12,000 to improve the CCTV provision on the estate. £10,980 was spent on new cameras during the year ending 31 March 2020, £1,186 was spent on system enhancement in the year ending 31 March 2021, and £2,512 was spent on system enhancement in the year ending 31 March 2022. The cumulative net book value of the investment in CCTV has been split from the fixed assets reserve.

14 Contingency reserve

The Resident's Management Organisation has set aside a contingency reserve of approximately three months future income. The Reserve Fund holds approximately 40% of this reserve and the balance is designated in the Surplus Fund.

15 Other income surplus for the year

Funds that are not required for the purpose of the reserve fund are eligible for inclusion in a surplus fund to benefit all residents. If management of the estate on behalf of LB Lambeth ceases, monies held in the surplus fund are available for future use by the Residents' Management Organisation, in the interests of the residents and not refundable to the local authority.

16 Operating lease commitments

At the reporting end date the organisation had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2024	2023
£	£
2,628	4,380
<u>2,628</u>	<u>4,380</u>

17 Ultimate controlling party

Whilst the organisation is controlled by its members, it is wholly dependant on income from the London Borough of Lambeth.

**COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

18 Cash (absorbed by)/generated from operations

	2024	2023
	£	£
(Loss)/profit for the year after tax	(36,904)	24,067
Adjustments for:		
Taxation charged	202	45
Investment income	(1,063)	(235)
Depreciation and impairment of tangible fixed assets	9,543	8,761
Movements in working capital:		
Decrease/(increase) in debtors	3,953	(1,455)
Increase in creditors	708	11,055
Cash (absorbed by)/generated from operations	<u>(23,561)</u>	<u>42,238</u>

19 Analysis of changes in net funds

	1 April 2023	Cash flows 31 March 2024	
	£	£	£
Cash at bank and in hand	467,152	(28,450)	438,702
	<u>467,152</u>	<u>(28,450)</u>	<u>438,702</u>

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024		2023	
	£	£	£	£
Income				
London Borough of Lambeth – TMO allowances		467,260		455,794
Parking income - residents		11,243		11,193
Parking income - visitors		3,257		4,258
Store shed income		6,177		4,996
Sundry income		32,477		12,654
		<u>520,414</u>		<u>488,895</u>
Operating costs				
<i>Property maintenance</i>				
Day to day maintenance	56,695		75,773	
Gas servicing and boiler replacement	90,125		56,456	
Estate cleaning	8,199		7,200	
Grounds maintenance and gardening	3,659		1,265	
CCTV security and maintenance	2,119		1,301	
Car parking expenses	1,250		5,500	
Pest control	7,460		7,966	
Estate lighting	52,584		13,764	
Staff maintenance	93,078		90,363	
		<u>315,169</u>		<u>259,588</u>
Total property maintenance costs		<u>315,169</u>		<u>259,588</u>
Total operating costs		(315,169)		(259,588)
Operating gross surplus		<u>205,245</u>		<u>229,307</u>

COTTINGTON CLOSE RESIDENTS' MANAGEMENT ORGANISATION LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024		2023	
	£	£	£	£
Administrative expenses				
Office staff costs	157,499		139,632	
Photocopier lease and maintenance	2,811		2,721	
Redundancy costs - staff	16,634		-	
Board expenses	1,251		2,568	
Social events	29,482		9,260	
Office repairs & maintenance	252		1,390	
Insurance	4,449		4,163	
Computer and website costs	1,515		2,787	
Subscriptions	312		572	
Legal and professional fees	282		19,379	
Consultancy fees	150		600	
Accountancy, payroll and advice	6,109		4,249	
Audit fees	8,650		5,250	
Bank charges and interest	630		660	
Bad debts	-		157	
Printing, postage and stationery	1,102		1,644	
Telephone	1,180		1,047	
Sundry expenses	1,159		590	
Depreciation	9,543		8,761	
		(243,010)		(205,430)
Operating surplus		(37,765)		23,877
Interest receivable and similar income				
Bank interest received	1,063		235	
		1,063		235
Surplus before taxation		(36,702)		24,112