

ASHWORTH MANSIONS

ELGIN AVENUE, LONDON

SERVICE CHARGE STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 2005

ASHWORTH MANSIONS - ELGIN AVENUE, LONDON

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COMPANY INFORMATION

Directors of Ashworth Mansions Limited	J Sutcliffe M Elliot K Williams D Abdo J Rubinoff H Carey R Singh M Clements
Secretary	M Elliot
Company number	2477421 (England and Wales)
Registered office	7 Mercers Place Brook Green London W6 7BZ
Managing agent	Kinleigh Folkard & Hayward 4 th Floor Carlton Plaza 111 upper Richmond Road London SW15 2TJ
Auditors	Bell Dinwiddie & Co Glenavon House 39 Common Road Claygate KT10 0HG

Responsibilities of the directors of Ashworth Mansions Limited

The directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the service charge account and of the income and expenditure account for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently ;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless this is thought to be inappropriate.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the service charge account. 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.

INDEPENDENT AUDITORS' REPORT ON THE SERVICE CHARGE STATEMENT**REPORT OF THE AUDITORS TO ASHWORTH MANSIONS LIMITED**

We have examined the service charge statements set out on pages 3 to 6 in respect of Ashworth Mansions for the year ended 28 September 2005, together with the books and records maintained by Ashworth Mansions Limited and the managing agents in so far as they relate to this property.

This report is made solely to Ashworth Mansions Limited. Our audit work has been undertaken so that we might state to that company those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Under the terms of this engagement, we were not required to, and did not, form any opinion as to either the reasonableness of the costs included within the service charge statement or the standard of the services or works provided.

Respective responsibilities of Ashworth Mansions Limited and the auditor

Ashworth Mansions Limited is responsible for the preparation of this service charge statement in respect of costs in respect of the property. The managing agent has undertaken responsibility for the preparation of the service charge statement on behalf of Ashworth Mansions Limited. It is our responsibility to form an independent opinion based on our examination of the service charge statement and to report our opinion exclusively to Ashworth Mansions Limited.

Basis of opinion

Our work included examination, on a test basis, of evidence relevant to the amounts included in the statements and their disclosure ..

We planned and performed our examination so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the service charge statement is a fair summary of the costs relating to the property and is sufficiently supported by accounts, receipts and other documents which have been made available to us. In view of the purpose for which this service charge statement has been prepared, however, we did not evaluate the overall adequacy of the presentation of the information which would have been required if we were to express an audit opinion under Auditing standards issued by the Auditing Practices Board.

Opinion

In our opinion the service charge statements present a fair summary of the income and expenditure for the year ended 28 September 2005 and the balance sheet at that date and are sufficiently supported by accounts, receipts and other documents.

Bell Dinwiddie & Co
Chartered Accountants
and Registered Auditor

2006

Patrick Bell Consultant Ian Dinwiddie
Glenavon House, 39 Common Road, Claygate, Surrey KT10 0HG
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STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2005

	Notes	Year to 28-Sept 2005 £	Year to 28-Sept 2004 £
Porterage, caretaking and cleaner - Flat 47A			
Wages and National Insurance		14,273	15,544
Rent		9,000	9,000
Light, heat and water		1,483	742
Telephone		830	688
Repairs and other		3,137	5,000
		<u>28,723</u>	<u>30,974</u>
Expenditure for common parts			
Cleaning company and materials		12,913	13,312
Electricity		5,415	4,971
Refuse container hire		633	430
Entryphone		9,904	6,742
Television aerial hire		6,566	5,355
Fire extinguishers		276	658
Gardening		20,162	5,107
Pest control		2,720	898
Directors expenses		0	
Sundry		210	1,358
		<u>58,799</u>	<u>38,831</u>
Repairs and building work including associated professional fees		<u>52,779</u>	<u>159,398</u>
Interest received		(1,910)	(1,664)
Less taxation	2	<u>764</u>	<u>637</u>
Net interest and sundry income		<u>(1,146)</u>	<u>(1,027)</u>
Insurance - Building (including public and employer's liability.)		<u>57,406</u>	<u>60,092</u>
Carried forward		<u>196,561</u>	<u>288,268</u>

The notes on page 8 form part of these accounts

STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2005

	Notes	Year to 28-Sept 2005 £	Year to 28-Sept 2004 £
Brought forward		196,561	288,268
Fees			
Heath and safety inspection and works		5,986	-
Legal fees		149	617
Accountancy and taxation		705	725
Audit		4,453	5,003
Management fee		16,534	18,506
		<u>27,827</u>	<u>24,851</u>
Total net expenditure for the year		<u>224,388</u>	<u>313,119</u>
Estimated costs of future refurbishment of common parts	3	200,000	-
		<u>424,388</u>	<u>313,119</u>
		=====	=====

MAJOR WORKS ACCOUNT

Brought forward 29 September 2004	5,633	(88,765)
Major works demands in year	-	226,424
Net interest received	-	1,027
Less expenditure in year		
Building works and associated costs	(12,114)	(133,053)
Transfer from Service Charge Account	6,481	-
Major works (deficit)/surplus at 28 September 2005	<u>0</u>	<u>5,633</u>
Estimated costs of future refurbishment of common parts	(200,000)	-
Amount to be collected in year ended 28 September 2006	<u>(200,000)</u>	<u>-</u>
	=====	=====

SERVICE CHARGE ACCOUNT

Brought forward 29 September 2004	48,253	327
Service charge demands in year	202,620	229,019
Net interest received	1,146	-
Less general expenditure in year	(213,420)	(181,093)
Transfer to Service Charge Account	(6,481)	-
(Deficit)/surplus for year	<u>(16,135)</u>	<u>47,926</u>
Carried forward 28 September 2005	<u>32,118</u>	<u>48,253</u>
	=====	=====

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**STATEMENT OF CENTRAL HEATING AND HOT WATER SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2005**

	Notes	Year to 28-Sept 2005 £	Year to 28-Sept 2004 £
Insurance (engineering - boiler)		1,406	1,406
Gas, repairs and maintenance		33,797	22,230
Total expenditure		<u>35,203</u> =====	<u>23,636</u> =====
CENTRAL HEATING ACCOUNT			
Brought forward 29 September 2004		43,228	23,530
Service charge demands in year		33,667	43,334
Less expenditure in year		(35,203)	(23,636)
Carried forward 28 September 2005	4	<u>41,692</u> =====	<u>43,228</u> =====

The notes on page 8 form part of these accounts

BALANCE SHEET
AS AT 28 SEPTEMBER 2005

ASSETS	2005 £	2004 £
Service charges outstanding	58,459	107,306
Debtors and prepayments	45,905	17,730
Bank client account in the name of Kinleigh Folkard & Hayward Service charge account	76,287	-
Cash at bank - In the name of Takelease Ltd T/A Grant Stanley Ashworth Mansions - client account	1,356	79,622
Bank deposit account - in the name of Ashworth Mansions Limited Sinking Fund Account	3,659	3,611
	<u>185,665</u>	<u>208,269</u>
	=====	=====
LIABILITIES		
Service charges received in advance	322	691
Creditors and accrued expenses	53,626	54,522
Due to Ashworth Mansions Limited	57,907	55,942
Provision for major works	0	5,633
Service charge reserve	32,118	48,253
Central heating reserve	41,692	43,228
	<u>185,665</u>	<u>208,269</u>
	=====	=====

Approved by the board of directors of Ashworth Mansions Limited and signed on its behalf.

M Elliot
As Director of Ashworth Mansions Limited
Date - 9 May 2006

The notes on page 8 form part of these accounts

**NOTES ON THE STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2005**

1 Accounting policies

Basis of preparation

The accounts are prepared on the historical cost accounting rules and due allowance is made for accruals and prepayments at the balance sheet date.

2 *Taxation*

The Service charge pays tax on interest earnings at the trust rate of 40%

3 *Future major works expenditure - £200,000*

At the 28 September 2005 the refurbishment of the common parts had been approved by the tenants and the board of Ashworth Mansions Limited. At the balance sheet date no contracts for this work had been placed.

4 *Central heating and hot water*

The directors of Ashworth Mansions have agreed that the surplus at the 28 September 2005 should be carried forward to meet help meet the future cost of major boiler works.

5 *Service charge debtors*

No provision has been made for over due demands as in the opinion of the directors these will eventually be recovered.

6 *Related parties*

Ashworth Mansions Limited as freeholder was owed £57,907 (2004 £55,942) at 28 September 2005.