

**ASHWORTH MANSIONS**

**ELGIN AVENUE, LONDON**

**SERVICE CHARGE STATEMENTS**

**FOR THE YEAR ENDED 28 SEPTEMBER 2006**

**ASHWORTH MANSIONS - ELGIN AVENUE, LONDON**

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**COMPANY INFORMATION**

Directors of Ashworth Mansions Limited

J Sutcliffe  
M Elliot  
K Williams  
M Clements  
G Barraclough

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<sup>th</sup> Floor Carlton Plaza  
111 upper Richmond Road  
London  
SW15 2TJ

Auditors

Bell Dinwiddie & Co  
Glenavon House  
39 Common Road  
Claygate  
KT10 0HG

REPORT OF THE AUDITORS TO ASHWORTH MANSIONS LIMITED

**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.

Ashworth Mansions Limited is responsible for the preparation of the 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 express our opinion exclusively to Ashworth Mansions Limited.

**Basis of opinion**

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

We planned and performed our examination so as to obtain all the information and explanations considered necessary in order to provide us with sufficient evidence to give basis for our opinion. The service charge statement is a fair summary of the costs relating to the property and is supported by accounts, receipts and other documents which have been made available to us for the purpose for which this service charge statement has been prepared. However, we do not express an overall adequacy of the presentation of the information which would have been required to express an audit opinion under International Standards on Auditing (ISA) issued by the Auditing Practices Board.

**Opinion**

In our opinion the service charge statement presents a fair summary of the income and expenditure for the year ended 28 September 2006 and the balance sheet at that date and are supported by accounts, receipts and other documents.

*Bell Dinwiddie & Co.*

Bell Dinwiddie & Co  
Chartered Accountants  
and Registered Auditor

24 March 2007

**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 2006, 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 International Standards on Auditing (UK and Ireland) 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 2006 and the balance sheet at that date and are sufficiently supported by accounts, receipts and other documents.

*Bell Dinwiddie & Co.*

Bell Dinwiddie & Co  
Chartered Accountants  
and Registered Auditor

23 March 2007

**ASHWORTH MANSIONS - ELGIN AVENUE, LONDON**

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**STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2006**

	Notes	Year to 28-Sept 2006 £	Year to 28-Sept 2005 £
Brought forward			
Porterage, caretaking and cleaner - Flat 47A			
Wages, National Insurance and relief porter		20,214	14,273
Recruitment and other employment costs		2,896	-
Rent		15,750	9,000
Light, heat and water		1,411	1,483
Telephone		1,646	830
Repairs and other		1,813	3,137
		<u>43,730</u>	<u>28,723</u>
Expenditure for common parts			
Cleaning company and materials		13,336	12,913
Electricity		3,908	5,415
Refuse container hire		321	633
Entryphone		10,033	9,904
Television aerial hire		6,751	6,566
Fire extinguishers		635	276
Gardening		14,891	20,162
Pest control		3,453	2,720
Directors expenses		-	-
Sundry		1,528	210
		<u>54,856</u>	<u>58,799</u>
Repairs and building work including associated professional fees		146,477	52,779
Interest received		(1,953)	(1,910)
Less taxation	2	781	764
Net interest and sundry income		<u>(1,172)</u>	<u>(1,146)</u>
Insurance - Building (including public and employer's liability.)		53,852	57,406
Carried forward		<u>297,743</u>	<u>196,561</u>

The notes on page 8 form part of these accounts

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**STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2006**

	Notes	Year to 28-Sept 2006 £	Year to 28-Sept 2005 £
Brought forward		297,743	196,561
Fees			
Heath and safety inspection and works		-	5,986
Professional fees - maintenance plan		4,155	-
Legal fees		-	149
Accountancy and taxation		1,200	705
Audit		5,415	4,453
Management fee		22,675	16,534
		<u>33,445</u>	<u>27,827</u>
Total net expenditure for the year		<u>331,188</u>	<u>224,388</u>
Estimated costs of future refurbishment of common parts	3	114,568	200,000
		<u>445,756</u>	<u>424,388</u>
		=====	=====
<b>MAJOR WORKS ACCOUNT</b>			
Brought forward 29 September 2005		-	5,633
Major works demands in year		200,000	-
Gross Interest received less taxation		1,172	-
Less expenditure in year			
Building, internal refurbishment and associated costs	3	(86,604)	(12,114)
Transfer from Service Charge Account		-	6,481
Major works surplus at 28 September 2006		<u>114,568</u>	<u>0</u>
Estimated costs of future refurbishment of common parts		(114,568)	(200,000)
Amount to be collected in year ended 28 September 2007		<u>0</u>	<u>(200,000)</u>
		=====	=====
<b>SERVICE CHARGE ACCOUNT</b>			
Brought forward 29 September 2005		32,118	48,253
Service charge demands in year		205,237	202,620
Net interest received		-	1,146
Less general expenditure in year		(245,756)	(213,420)
Transfer to Major Works Account		-	(6,481)
Deficit for year		<u>(40,519)</u>	<u>(16,135)</u>
Deficit to be collected (2005 surplus carried forward)		<u>(8,401)</u>	<u>32,118</u>
		=====	=====

The notes on page 8 form part of these accounts

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**STATEMENT OF CENTRAL HEATING AND HOT WATER SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2006**

	Notes	Year to 28-Sept 2006 £	Year to 28-Sept 2005 £
<b>ASSETS</b>			
Service charges outstanding			
Insurance (engineering - boiler)		468	1,406
Gas		39,235	23,121
Repairs and maintenance		20,648	10,676
Total expenditure		<u>60,351</u>	<u>35,203</u>
Service charge account		<u>=====</u>	<u>=====</u>
<b>CENTRAL HEATING ACCOUNT</b>			
Brought forward 29 September 2005		41,692	43,228
Service charge demands in year		25,400	33,667
Less expenditure in year		(60,351)	(35,203)
Deficit for year		<u>(34,951)</u>	<u>(1,536)</u>
Carried forward 28 September 2006	4	<u>6,741</u>	<u>41,692</u>
Service charges received in advance		<u>=====</u>	<u>=====</u>
One Month and a half ahead payments			
One to Ashworth Mansions Limited			
Provision for future works			
Service charge reserve			
Central heating reserve			

Approved by the Board of Directors of Ashworth Mansions Limited on 23 March 2007

M Elliot

As Director of Ashworth Mansions Limited

Date - 23 March 2007

The notes on page 8 form part of these accounts

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**BALANCE SHEET  
AS AT 28 SEPTEMBER 2006**

<b>ASSETS</b>	2006 £	2005 £
Service charges outstanding	37,134	58,459
Debtors and prepayments	60,480	45,905
Deficit on service charge to be collected	8,401	-
Bank client account in the name of Kinleigh Folkard & Hayward Service charge account	5,592	76,287
Bank Corporate Account - Ashworth Mansions Ltd	147,251	-
Cash at bank - In the name of Takelease Ltd T/A Grant Stanley Ashworth Mansions - client account	-	1,356
Bank deposit account - in the name of Ashworth Mansions Limited Sinking Fund Account	3,724	3,659
	<u>262,582</u>	<u>185,666</u>
	=====	=====
<b>LIABILITIES</b>		
Service charges received in advance	20,628	322
Creditors and accrued expenses	63,947	53,627
Due to Ashworth Mansions Limited	56,698	57,907
Provision for major works	114,568	-
Service charge reserve	-	32,118
Central heating reserve	6,741	41,692
	<u>262,582</u>	<u>185,666</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 - 20 March 2007



**NOTES ON THE STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2006**

1 Accounting policies

*Basis of preparation*

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

2 Taxation

Taxation on interest earnings is paid at the trust tax rate of 40%.

3 Future major works expenditure

In the year ended 28 September 2006 the refurbishment of the common parts and other major works projects had incurred expenditure of £86,604. At the balance sheet date estimated expenditure to complete the Internal refurbishment was approximately £114,568 all of which had been contracted for.

4 Central heating and hot water

The Directors of Ashworth Mansions Limited have agreed that the surplus brought forward from earlier years should be used to offset the substantial increase in the cost of gas and repairs, which had not been apparent when the budget was prepared. The Directors have changed their policy of carrying the surplus forward to meet the eventual replacement of the boiler due to the exceptional circumstances in the year and because a separate reserve fund has been set up in the current year.

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

At 28 September 2006 Ashworth Mansions Limited as freeholder was owed £56,698 (2005 £57,907).