

**ASHWORTH MANSIONS  
SERVICE CHARGE ACCOUNTS**

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

Date: 20 March 2008

Dear Sirs

This representation letter is provided in connection with your audit of the Service Charge Statements of Ashworth Mansions Limited for the period ended 28 September 2007 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial.

- 1 We acknowledge as directors of Ashworth Mansions Limited our responsibilities for preparing financial statements which give a true and fair view of the financial position of the Service Charge as of 28 September 2007 and the results of its operations for the year then ended and for making accurate representations to you.
- 2 All the accounting records have been made available to you for the purpose of your audit and all the transactions of the company have been properly reflected and recorded in the accounting records and other information provided to you. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you.
- 3 We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud. We confirm that the financial statements are free from material misstatements, including omissions.
- 4 There have been no irregularities or allegations thereof involving management or others who have a significant role in internal control or that could have a material effect on the financial statements.
- 5 The company has satisfactory title to all assets and there are no liens or encumbrances on the assets.
- 6 There are no liabilities, contingent liabilities or guarantees to third parties other than disclosed in the accounts.

Continued.

- 7 We confirm that we are not aware of any possible or actual instance of non compliance with those laws and regulations which provide a legal framework within which the Service Charge conducts its business. The Service Charge has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non compliance.
- 8 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
- 9 We confirm that we have disclosed to you all related party transactions relevant to the company and that we are not aware of further related party matters that require disclosure other than those already disclosed in the accounts.
- 10 There have been no events since the balance sheet date, which require disclosure of which would materially affect the amounts in the accounts, other than those already disclosed or included in the accounts.
- 11 The company has at no time during the year any arrangement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for directors nor to guarantee or provide security for such matters, except as disclosed in the accounts.
- 12 We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital that the Service Charge is a going concern.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of all directors of Ashworth Mansions Limited and other parties with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

.....  
Director on behalf of the board of Ashworth Mansions Limited

**ASHWORTH MANSIONS**

**ELGIN AVENUE, LONDON**

**SERVICE CHARGE STATEMENTS**

**FOR THE YEAR ENDED 28 SEPTEMBER 2007**

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## **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 D Malik R Blackmore
Secretary	M Elliot
Company number	2477421 (England and Wales)
Registered office	7 Mercers Place Brook Green London W6 7BZ
Managing agent	Kinleigh Folkard & Hayward KFH House 5 Compton Road London SW19 7QA
Auditors	Bell Dinwiddie & Co Glenavon House 39 Common Road Claygate KT10 0HG

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**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 of Ashworth Mansions for the year ended 28 September 2007, which comprise the statement of service charge expenditure, statement of central heating and hot water service charge expenditure, the balance sheet and related notes 1 to 6, 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 2007 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

March 2008

Patrick Bell Consultant Ian Dinwiddie  
Glenavon House, 39 Common Road, Claygate, Surrey KT10 0HG  
Tel: 01372 470313 Fax: 01372 470358 E-Mail patrick@omegapartnership.co.uk

STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2007

	Notes	Year to 28-Sept 2007 £	Year to 28-Sept 2006 £
Porterage - Flat 47A			
Wages, National Insurance and relief porter		22,362	20,214
Recruitment and other employment costs		-	2,896
Rent		18,000	15,750
Light, heat and water		501	1,411
Telephone		617	1,646
Repairs and other		2,666	1,813
		<u>44,146</u>	<u>43,730</u>
Expenditure for common parts			
Cleaning company and materials		10,857	13,336
Electricity		2,030	3,908
Refuse container hire		-	321
Entryphone		10,477	10,033
Television aerial hire		6,979	6,751
Fire extinguishers		581	635
Gardening		17,131	14,891
Pest control		6,617	3,453
Directors expenses		-	-
Sundry		2,173	1,528
		<u>56,845</u>	<u>54,856</u>
Repairs and building work including associated professional fees		<u>212,010</u>	<u>146,477</u>
Interest received		(4,591)	(1,953)
Less taxation	2	1,542	781
Net interest and sundry income		<u>(3,049)</u>	<u>(1,172)</u>
Insurance - Building (including public and employer's liability.)		<u>62,933</u>	<u>53,852</u>
Carried forward		<u>372,885</u>	<u>297,743</u>

The notes on page 8 form part of these accounts



STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2007

	Notes	Year to 28-Sept 2007 £	Year to 28-Sept 2006 £
Brought forward		372,885	297,743
Fees			
Heath and safety inspection and works		646	-
Professional fees		9,171	4,155
Legal fees		2,813	-
Accountancy and taxation		651	1,200
Audit		5,875	5,415
Management fee		23,688	22,675
		<u>42,844</u>	<u>33,445</u>
Total net expenditure for the year		415,729	331,188
Estimated costs of future refurbishment of common parts	3	-	114,568
		<u>415,729</u>	<u>445,756</u>
		=====	=====
MAJOR WORKS ACCOUNT			
Brought forward 29 September 2006		114,568	-
Major works demands in year		105,000	200,000
Gross Interest received less taxation		3,049	1,172
Less expenditure in year			
Building, internal refurbishment and associated costs	3	(159,623)	(86,604)
Transfer from Service Charge Account		-	
Major works surplus at 28 September 2007		<u>62,994</u>	<u>114,568</u>
Estimated costs of future refurbishment of common parts		-	(114,568)
		<u>62,994</u>	<u>0</u>
		=====	=====
SERVICE CHARGE ACCOUNT			
Brought forward 29 September 2006		-	32,118
Service charge demands in year		245,703	205,237
Net interest received		-	
Less general expenditure in year		(259,155)	(245,756)
Transfer to Major Works Account		-	
Deficit for year		<u>(13,452)</u>	<u>(40,519)</u>
Deficit to be collected		<u>(13,452)</u>	<u>(8,401)</u>
		=====	=====

The notes on page 8 form part of these accounts

**STATEMENT OF CENTRAL HEATING AND HOT WATER SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2007**

	Notes	Year to 28-Sept 2007 £	Year to 28-Sept 2006 £
Insurance (engineering - boiler)		515	468
Gas		20,319	39,235
Repairs and maintenance		14,172	20,648
Total expenditure		<u>35,006</u>	<u>60,351</u>
		=====	=====
CENTRAL HEATING ACCOUNT			
Brought forward 29 September 2006		6,741	41,692
Service charge demands in year		46,500	25,400
Less expenditure in year		(35,006)	(60,351)
Surplus/(deficit) for year		<u>11,494</u>	<u>(34,951)</u>
Service charge demand - reserve fund		5,000	-
Carried forward 28 September 2007	4	<u>23,235</u>	<u>6,741</u>
		=====	=====

The notes on page 8 form part of these accounts

**ASHWORTH MANSIONS - ELGIN AVENUE, LONDON**

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**BALANCE SHEET  
AS AT 28 SEPTEMBER 2007**

<b>ASSETS</b>	2007 £	2006 £
Service charges outstanding	12,717	37,134
Debtors and prepayments	55,735	60,480
Deficit on service charge to be collected	13,452	8,401
Bank client account in the name of Kinleigh Folkard & Hayward Service charge account	4,268	5,592
Bank Corporate Account - Ashworth Mansions Ltd	115,835	147,251
Bank deposit account - in the name of Ashworth Mansions Limited Sinking Fund Account	3,810	3,724
	<u>205,817</u>	<u>262,582</u>
	=====	=====
<b>LIABILITIES</b>		
Service charges received in advance	2,554	20,628
Creditors and accrued expenses	61,899	63,947
Due to Ashworth Mansions Limited	55,135	56,698
Provision for major works	62,994	114,568
Service charge reserve	-	-
Central heating reserve	23,235	6,741
	<u>205,817</u>	<u>262,582</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 2008

The notes on page 8 form part of these accounts

**NOTES ON THE STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2007**

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.

3     *Future major works expenditure*

Work on the refurbishment of the common parts was completed during the year.

The contract for installing mains water was approved by the directors in December 2007 and work has now started.

4

*Central heating and hot water*

The Directors of Ashworth Mansions Limited have agreed that the surplus for the year should be carried forward as part of the reserve fund.

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 2007 Ashworth Mansions Limited as freeholder was owed £55,136 (2006 £56,698).

The directors of Ashworth Mansions Limited were charged and paid ground rents and service charges to the company and the service charge during the year.