

ASHWORTH MANSIONS

ELGIN AVENUE, LONDON

SERVICE CHARGE STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 2008

ASHWORTH MANSIONS - ELGIN AVENUE, LONDON

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COMPANY INFORMATION

Directors of Ashworth Mansions Limited

M Elliot
K Williams
M Clements
J Sutcliffe
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

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 2008, 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 2008 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

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

STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2008

	Notes	Year to 28-Sept 2008 £	Year to 28-Sept 2007 £
Porterage - Flat 47A			
Wages, National Insurance and relief porter		23,546	22,362
Rent		15,750	18,000
Light, heat and water		1,351	501
Telephone		583	617
Repairs and other		1,423	2,666
		<u>42,653</u>	<u>44,146</u>
Expenditure for common parts			
Cleaning company and materials		12,943	10,857
Electricity		5,837	2,030
Entryphone		10,126	10,477
Television aerial hire		7,264	6,979
Fire extinguishers		551	581
Gardening		17,045	17,131
Pest control		4,207	6,617
Directors expenses		-	-
Sundry		3,381	2,173
		<u>61,354</u>	<u>56,845</u>
Repairs and building work including associated professional fees			
Routine repairs		45,167	52,387
Major works		66,108	159,623
		<u>111,275</u>	<u>212,010</u>
Interest received less taxation		(6,607)	(3,049)
Sundry income	2	-	-
Net interest and sundry income		<u>(6,607)</u>	<u>(3,049)</u>
Insurance - Building (including public and employer's liability.)		59,682	62,933
Carried forward		<u>268,357</u>	<u>372,885</u>

The notes on page 8 form part of these accounts

STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2008

	Notes	Year to 28-Sept 2008 £	Year to 28-Sept 2007 £
Brought forward		268,357	372,885
Fees			
Heath and safety inspection and works		717	646
Professional fees		258	9,171
Legal fees		3,153	2,813
Accountancy and taxation		863	651
Audit		6,196	5,875
Management fee		24,873	23,688
		<u>36,060</u>	<u>42,844</u>
Net expenditure for the year		<u>304,417</u>	<u>415,729</u>
Additional costs in the following year relating to drain cleaning	3	8,053	-
Total expenditure		<u><u>312,470</u></u>	<u><u>415,729</u></u>

MAJOR WORKS ACCOUNT

Brought forward 29 September 2007		62,994	114,568
Major works demands in year		111,825	105,000
Gross Interest received less taxation		6,607	3,049
Less expenditure in year			
Building, internal refurbishment and associated costs	4	(66,108)	(159,623)
Transfer from Service Charge Account		-	-
Major works surplus at 28 September 2008		<u><u>115,318</u></u>	<u><u>62,994</u></u>

SERVICE CHARGE ACCOUNT

Brought forward deficit 29 September 2007		(13,452)	-
Less accrual for additional rent no longer required		15,750	-
Adjusted surplus at 29 September 2007		<u>2,298</u>	-
Service charge demands in year		285,933	245,703
Less general expenditure in year		(252,969)	(259,155)
Transfer to Major Works Account		-	-
Surplus/(deficit) carried forward at 28 September 2008	5	<u><u>35,262</u></u>	<u><u>(13,452)</u></u>

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**STATEMENT OF CENTRAL HEATING AND HOT WATER SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2008**

	Notes	Year to 28-Sept 2008 £	Year to 28-Sept 2007 £
Insurance (engineering - boiler)		596	515
Gas		27,760	20,319
Repairs and maintenance		10,503	14,172
Total expenditure		<u>38,859</u>	<u>35,006</u>
		=====	=====
CENTRAL HEATING ACCOUNT			
Brought forward 29 September 2007		23,235	6,741
Less prior year adjustment relating to gas supply		(12,359)	-
Adjusted surplus at 29 September 2007		<u>10,876</u>	<u>6,741</u>
Service charge demands in year		43,050	46,500
Less expenditure in year		(38,859)	(35,006)
Surplus for year		<u>4,191</u>	<u>11,494</u>
Service charge demand - reserve fund		5,000	5,000
Carried forward at 28 September 2008	6	<u>20,067</u>	<u>23,235</u>
		=====	=====

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**BALANCE SHEET
AS AT 28 SEPTEMBER 2008**

ASSETS	2008 £	2007 £
Service charges outstanding	13,752	12,717
Debtors and prepayments	59,572	55,735
Deficit on service charge to be collected	-	13,452
Bank client account in the name of Kinleigh Folkard & Hayward Service charge account	588	4,268
Bank Corporate Account - Kinleigh Ltd/Ashworth Mansions Ltd	204,586	115,835
Bank deposit account - in the name of Ashworth Mansions Limited Sinking Fund Account	-	3,810
	<u>278,498</u>	<u>205,817</u>
	=====	=====
LIABILITIES		
Service charges received in advance	4,292	2,554
Creditors and accrued expenses	55,817	61,899
Due to Ashworth Mansions Limited	47,742	55,135
Provision for major works	115,318	62,994
Service charge reserve	35,262	-
Central heating reserve	20,067	23,235
	<u>278,498</u>	<u>205,817</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 2009

The notes on page 8 form part of these accounts

**NOTES ON THE STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2008**

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 20%.

3 Additional costs relating to drain cleaning

Provision has been made for costs in the budget for 2008 but incurred after the year end.

4 Future major works expenditure

The contract for installing mains water was approved by the directors in December 2007 and work was completed at the end of 2008. Technical problems remain and the system is expected to be connected in 2009. At 28 September 2008 approximately £19,000 of the contract value of approximately £75,000, including VAT, but excluding professional fees had not been spent.

5 Service charge account

The Directors of Ashworth Mansions Limited have agreed that the surplus for the year should be carried forward to meet additional repair costs expected in the following year.

6 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.

7 Service charge debtors

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

8 Related parties

At 28 September 2008 Ashworth Mansions Limited as freeholder was owed £47,742 (2007 £55,136).

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.

Bell Dinwiddie & Co.

Chartered Accountants

M Elliot Esq
7 Mercers Place
Brook Green
London
W6 7BZ

20 March 2009

Dear Michael

Ashworth Mansions SC

I enclose three sets of accounts for the Service Charge for your approval and signature, together with the usual letters of representation for the Service Charge and Limited. Please return all three sets to me together with the signed letters of representation and I will complete my report and prepare the final sets.

I would draw your attention to note 5 page 8 stating that the SC surplus has been carried forward. I can alter the note or remove it if required.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read 'Patrick', with a long, sweeping horizontal line underneath it.