

ASHWORTH MANSIONS

ELGIN AVENUE, LONDON

SERVICE CHARGE STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 2012

ASHWORTH MANSIONS - ELGIN AVENUE, LONDON

CONTENTS

	Page
Company information	1
Responsibilities of the directors of Ashworth Mansions Limited	2
Independent auditors' report	3
Summary of income and expenditure	4
Statement of Service Charge expenditure	5 - 6
Statement of central heating and hot water service charge expenditure	6
Balance Sheet at 28 September 2012	7
Notes to the accounts	8

COMPANY INFORMATION

Directors of Ashworth Mansions Limited

M Elliot
K Williams
M Clements
J Sutcliffe
G Barracclough
D Malik
J Dineraki-Parapoulis

Secretary

M Elliot

Company number

2477421 (England and Wales)

Registered office

7 Mercers Place
Brook Green
London
W6 7BZ

Managing agent

Kinleigh Folkard & Hayward
Nelson House
58 Wimbledon Hill Road
London
SW19 7PA

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 (LANDLORD)**

We have audited the accompanying service charge accounts for Ashworth Mansions for the year ended 28 September 2012, which comprise the statement of service charge income and expenditure, statement of central heating and hot water service charge income and expenditure, the balance sheet as at 28 September 2012 and related notes. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts

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.

Landlord /managing agent's responsibility for the accounts

The landlord/managing agent are responsible for the preparation of these accounts in accordance with the terms of the lease and for such internal control as the landlord/managing agent determines is necessary to enable the preparation of accounts that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of accounts in order to design audit procedures that are appropriate to the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the accounts.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the service charge accounts of Ashworth Mansions for the year ended 28 September 2012 are prepared, in all material respects, in accordance with the accounting policies set out in Note 1 to the accounts.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1 to the accounts which describes the basis of accounting. Our report has been prepared pursuant to the terms of our engagement letter and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of our engagement letter or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Bell Dinwiddie & Co
Chartered Accountants
and Registered Auditor

Date

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

**SUMMARY OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2012**

	Notes	Year to 28-Sept 2012 £	Year to 28-Sept 2011 £
SERVICE CHARGE ACCOUNT			
Service charge demands in year		298,851	281,257
Less general expenditure in year		(291,903)	(267,046)
Surplus for the year		6,948	14,211
Transfer to reserve/major works account	4	0	14,211
Surplus carried forward at 28 September 2012		6,948	0

RESERVE/MAJOR WORKS ACCOUNT

Brought forward 29 September 2011		361,342	355,948
Reserve demands in year		175,001	175,378
Major works demands		150,000	150,000
Gross interest received less taxation		8,076	3,985
Less expenditure in year	2	(270,545)	(338,180)
(Deficit)/surplus for the year		62,532	(8,817)
Current year transfer from service charge		0	14,211
Surplus carried forward at 28 September 2012		423,874	361,342

CENTRAL HEATING ACCOUNT

Brought forward 29 September 2011		38,459	40,001
Service charge demands in year		58,100	58,175
Less expenditure in year		(54,763)	(64,717)
Surplus/(Deficit) for the year	5	3,337	(6,542)
Service charge demand - reserve fund		5,000	5,000
Carried forward at 28 September 2012		46,796	38,459

STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2012

	Notes	Year to 28-Sept 2012 £	Year to 28-Sept 2011 £
<i>Porterage - Flat 47A</i>			
Wages, National Insurance and relief porter		29,435	23,107
Rent		18,029	18,007
Light, heat and water		1,530	1,340
Telephone		353	435
Council tax, repairs and other		3,806	906
		<u>53,153</u>	<u>43,795</u>
<i>Expenditure for common parts</i>			
Cleaning including windows and materials		12,939	13,632
Electricity		7,814	7,609
Entryphone		13,142	12,955
Television aerial hire including upgrade		11,548	12,779
Fire extinguishers		602	531
Gardening		24,791	21,733
Pest control		5,827	3,551
Meeting room equipment		616	0
Sundry		496	709
		<u>77,775</u>	<u>73,499</u>
<i>Repairs and building work including associated professional fees</i>			
Routine repairs		45,548	46,680
Reserve and major works expenditure	2	270,545	338,180
		<u>316,093</u>	<u>384,860</u>
Interest received less taxation	3	(8,076)	(3,985)
Insurance - Building (including public and employer's liability.)		<u>79,539</u>	<u>66,698</u>
Carried forward		<u>518,484</u>	<u>564,867</u>

STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2012

	Notes	Year to 28-Sept 2012 £	Year to 28-Sept 2011 £
Brought forward		518,484	564,867
<i>Fees</i>			
Health and safety inspection and compliance		354	0
Professional fees		1,136	2,396
Legal fees		0	0
Accountancy and taxation		850	850
Audit		6,781	6,500
Management		26,767	26,628
		<u>35,888</u>	<u>36,374</u>
Expenditure for the year		<u>554,372</u>	<u>601,241</u>
		=====	=====
Service charge		291,903	267,046
Reserve/major works		262,469	334,195
		<u>554,372</u>	<u>601,241</u>
		=====	=====

STATEMENT OF CENTRAL HEATING AND HOT WATER SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2012

	Notes	Year to 28-Sept 2012 £	Year to 28-Sept 2011 £
Insurance (engineering - boiler)		1,017	1,276
Gas		43,158	26,150
Repairs and maintenance		8,313	7,939
Renew hot water cylinders		0	26,158
Professional fees		1,788	2,700
Electricity		487	494
Total expenditure		<u>54,763</u>	<u>64,717</u>
		=====	=====

ASHWORTH MANSIONS - ELGIN AVENUE, LONDON

7

**BALANCE SHEET
AS AT 28 SEPTEMBER 2012**

ASSETS	Notes	2012 £	2011 £
Service charges outstanding		18,649	20,486
Debtors and prepayments		204,662	94,382
Bank client account in the name of Kinleigh Limited Service charge account	6	5,198	22,708
Bank reserve account - in the name of Kinleigh Limited Re Ashworth Mansions Ltd	6	316,678	450,643
		<u>545,187</u>	<u>588,219</u>
LIABILITIES			
Service charges received in advance		5,726	22,339
Creditors and accrued expenses		46,024	136,970
Due to Ashworth Mansions Limited		15,819	29,109
Reserve fund including major works	7	423,874	361,342
Service charge reserve		6,948	0
Central heating reserve	7	46,796	38,459
		<u>545,187</u>	<u>588,219</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 - 22 March 2013

The notes on page 8 form part of these accounts

**NOTES ON THE STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2012**

1 Accounting policies

Basis of preparation

The service charge accounts are prepared on the accruals basis.

2 Reserve and major works expenditure

	Year to 28-Sept 2012	Year to 28-Sept 2011
	£	£
External works phase 1 and 2	270,545	338,180
	=====	=====

The external works expenditure above is shown after deducting £113,010 insurance proceeds received in the current financial year for work invoiced in the year ended 28 September 2012.

3 Tax provided on bank interest received

Taxation on interest received gross is paid at 20%.

4 Service charge account

The Directors of Ashworth Mansions Limited have agreed that the surplus for the current year should be retained as reserve funds.

5 Central heating and hot water

The directors have agreed that the surplus for the year should be carried forward.

6 Bank accounts

All bank balances are held in trust in client accounts.

Current account funds are held in a client account in the name of Kinleigh Ltd.

Reserve and major works accounts are held at Lloyds TSB and The Nottingham Building Society.

7 Reserves

The reserve fund has been established to provide funds to meet the costs of refurbishment and other significant expenditure to maintain the building in good condition.

The central heating and hot water reserve has been established to provide funds to meet the costs of upgrading or replacing the heating system.

8 Capital commitments

The directors consider that there were no capital commitments at 28 September 2012

9 Ashworth Mansions Limited

Ashworth Mansions Limited is the freeholder.

At 28 September 2012 Ashworth Mansions Limited was owed £15,819 (2011 £29,109). This balance is being repaid at £1,000 a month from the service charge.

10 Transactions with directors of Ashworth Mansions Limited

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.

**ASHWORTH MANSIONS
SERVICE CHARGE ACCOUNTS**

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

Date: 13 March 2013

Dear Sirs

Ashworth Mansions service charge for the year ended 28 September 2012

We have determined that an audit of the service charge accounts in accordance with International Standards on Auditing is required.

As directors of Ashworth Mansions Limited we are responsible for preparing service charge statement for the year ended 28 September 2012. We are responsible with the managing agents for ensuring that the financial management of the service charge is sound and that there is an effective system of internal control which facilitates the proper use of the service charges and which includes arrangements for good management of the building and all communal grounds for which we have responsibility in accordance with the terms of the lease.

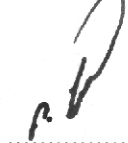
- 1 No leaseholder has made a request for a written summary of relevant costs in relation to the service charges payable or demanded as payable in the period in accordance with section 21 of the Landlord and Tenant Act 1985.
- 2 We confirm that all relevant costs included as expenditure in the service charge information including payments to reserve funds is a proper charge to the property and is in accordance with the underlying leases. We have complied with the provisions of section 20 of the Landlord and Tenant Act 1985 in relation to reserve and major works as defined by the legislation.
- 3 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. Any significant matters of which we consider you ought to be aware have been brought to your attention.

Continued:

- 4 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.
- 5 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.
- 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 confirm that we have disclosed to you all related party transactions relevant to the service charge and that we are not aware of further related party matters that require disclosure.
- 9 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.
- 10 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.

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



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Director on behalf of the board of Ashworth Mansions Limited