

**ASHWORTH MANSIONS**

**ELGIN AVENUE, LONDON**

**SERVICE CHARGE STATEMENTS**

**FOR THE YEAR ENDED 28 SEPTEMBER 2013**

**COMPANY INFORMATION**

**Directors of Ashworth Mansions Limited**

M Elliot  
K Williams  
M Clements  
J Sutcliffe  
G Barraclough  
D Malik  
J Dineraki-Parapoulis  
R Marais  
N Parker

**Secretary**

M Elliot

**Company number**

2477421 (England and Wales)

**Registered office**

124 High Street  
Egham  
Surrey  
TW20 9HH

**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 2013, 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 2013 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 dated 7 January 2012, 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 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 2013 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](mailto:patrick@omegapartnership.co.uk)

SUMMARY OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2013

	Notes	Year to 28-Sept 2013	Year to 28-Sept 2013	Year to 28-Sept 2013	Year to 28-Sept 2012
<b>SERVICE CHARGE ACCOUNT</b>		<b>Service charge £</b>	<b>Reserve £</b>	<b>Total £</b>	<b>Total £</b>
Brought forward 29 September 2012		6,948	423,874	430,822	361,342
Demands in year		325,079	175,441	500,520	473,852
Major works demands		0	0	0	150,000
Gross Interest received less taxation	3	266	5,735	6,001	8,076
Less expenditure in year	2	(329,928)	(331,675)	(661,603)	(562,448)
(Deficit)/surplus for the year		<u>(4,583)</u>	<u>(150,499)</u>	<u>(155,082)</u>	<u>69,480</u>
Surplus carried forward at 28 September 2013		<u>2,365</u>	<u>273,375</u>	<u>275,740</u>	<u>430,822</u>
		=====	=====	=====	=====
<b>CENTRAL HEATING ACCOUNT</b>		<b>Service charge £</b>	<b>Reserve £</b>	<b>Total £</b>	<b>Total £</b>
Brought forward 29 September 2012		0	46,796	46,796	38,459
Service charge demands in year		58,600	5,000	63,600	63,100
Less expenditure in year		(49,814)	(25,936)	(75,750)	(54,763)
Surplus/(Deficit) for the year	5	<u>8,786</u>	<u>(20,936)</u>	<u>(12,150)</u>	<u>8,337</u>
Transfer		(8,786)	8,786	0	0
Surplus carried forward at 28 September 2013		<u>0</u>	<u>34,646</u>	<u>34,646</u>	<u>46,796</u>
		=====	=====	=====	=====

The notes on page 8 form part of these accounts

STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2013

	Notes	Year to 28-Sept 2013 £	Year to 28-Sept 2012 £
<i>Porterage - Flat 47A</i>			
Wages, National Insurance and relief porter		35,836	29,435
Rent		18,422	18,029
Light, heat and water		1,478	1,530
Telephone		366	353
Council tax, repairs and other		452	3,806
		<hr/> 56,554	<hr/> 53,153
<i>Expenditure for common parts</i>			
Cleaning including windows and materials		12,877	12,939
Electricity		7,025	7,814
Entryphone		13,007	13,142
Television aerial hire		10,939	11,548
Fire extinguishers		336	602
Gardening		22,916	24,791
Pest control		13,245	5,827
Meeting room equipment		0	616
Sundry		550	496
		<hr/> 80,895	<hr/> 77,775
<i>Repairs and building work including associated professional fees</i>			
Routine repairs		45,973	45,548
Internal decoration		15,500	0
Reserve and major works expenditure	2	331,675	270,545
		<hr/> 393,148	<hr/> 316,093
<i>Insurance - Building (including public and employer's liability.)</i>			
		<hr/> 92,418	<hr/> 79,539
Carried forward		<hr/> 623,015	<hr/> 526,560

**STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2013**

	Notes	Year to 28-Sept 2013 £	Year to 28-Sept 2012 £
Brought forward		623,015	526,560
<i>Fees</i>			
Health and safety inspection and compliance		0	354
Professional fees		0	1,136
Legal fees		2,988	0
Accountancy and taxation		1,350	850
Audit		7,628	6,781
Management		26,622	26,767
		<hr/> 38,588	<hr/> 35,888
Expenditure for the year		<hr/> 661,603	<hr/> 562,448
		=====	=====

**STATEMENT OF CENTRAL HEATING AND HOT WATER SERVICE CHARGE EXPENDITURE**

**FOR THE YEAR ENDED 28 SEPTEMBER 2013**

	Notes	Year to 28-Sept 2013 £	Year to 28-Sept 2012 £
Insurance (engineering - boiler)		272	1,017
Gas		43,202	43,158
Repairs and maintenance		4,850	8,313
Renew hot water cylinders		990	0
Professional fees (LVT)		25,936	1,788
Electricity		500	487
Total expenditure		<hr/> 75,750	<hr/> 54,763
		=====	=====

**ASHWORTH MANSIONS - ELGIN AVENUE, LONDON**

7

**BALANCE SHEET  
AS AT 28 SEPTEMBER 2013**

	Notes	2013 Total	2012 Total
<b>ASSETS</b>		£	£
Service charges outstanding		32,807	18,649
Debtors and prepayments		116,087	204,662
Due from Ashworth Mansions Limited		10,147	7,181
Bank client account in the name of Kinleigh Limited Service charge account	6	144,335	5,198
Bank accounts - in the name of Kinleigh Limited Re Ashworth Mansions Ltd	6	242,999	316,678
		<u>546,375</u> =====	<u>552,368</u> =====
<b>LIABILITIES</b>			
Service charges received in advance		20,724	5,726
Creditors and accrued expenses		204,265	46,024
Loan due to Ashworth Mansions Limited	9	11,000	23,000
Reserve fund including major works	7	273,375	423,874
Service charge reserve		2,365	6,948
Central heating reserve	7	34,646	46,796
		<u>546,375</u> =====	<u>552,368</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 -

The notes on page 8 form part of these accounts



**NOTES ON THE STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 28 SEPTEMBER 2013**

**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 2013	Year to 28-Sept 2012
		£
External works	245,440	270,545
Replacement utilities	59,017	0
Structural works to vault	27,218	0
	<u>331,675</u>	<u>270,545</u>
	=====	=====

**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 as reserve funds.

**6      *Bank accounts***

All bank balances are held in trust in client accounts.

Current account funds are held in a client accounts at Lloyds Bank in the name of Kinleigh Ltd.

Reserve and major works accounts are held at Lloyds Bank 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***

Capital commitments at 28 September 2013 in respect of external works phase 3 were £116,000.

**9      *Ashworth Mansions Limited***

Ashworth Mansions Limited is the freeholder.

In May 2003 the service charge borrowed £50,000 from Ashworth Mansions Limited which has been repaid at £1,000 a month (starting July 2010) 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.