

ASHWORTH MANSIONS

ELGIN AVENUE, LONDON

DRAFT
7 APRIL 2016

SERVICE CHARGE STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 2015

ASHWORTH MANSIONS - ELGIN AVENUE, LONDON

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COMPANY INFORMATION

Directors of Ashworth Mansions Limited

K Williams
M Clements
J Sutcliffe
G Barracrough
J Dineraki-Parapoulis
R Marais
N Parker

Secretary

Kinleigh Folkard & Hayward

Company number

2477421 (England and Wales)

Registered office

Nelson House
58 Wimbledon Hill Road
London
SW19 7PA

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.

REPORT OF THE AUDITORS TO ASHWORTH MANSIONS LIMITED (LANDLORD)

DRAFT

We have audited the accompanying service charge accounts for Ashworth Mansions for the year ended 28 September 2015, 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 2015 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, 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 2015 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

DRAFT

Date

SUMMARY OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2015

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	Notes	Year to 28-Sept 2015	Year to 28-Sept 2015	Year to 28-Sept 2015	Year to 28-Sept 2014
SERVICE CHARGE ACCOUNT		Service charge £	Reserve £	Total £	Total £
Brought forward 29 September 2014		37,282	331,342	368,624	275,740
Demands in year		325,870	175,442	501,312	509,783
Major works demands		0	0	0	175,000
Gross Interest received less taxation	3	1,533	1,825	3,358	5,147
Less expenditure in year	2	(334,229)	(258,417)	(592,646)	(597,046)
(Deficit)/surplus for the year		(6,826)	(81,150)	(87,976)	92,884
Transfer to reserves	7	(37,282)	37,282	0	0
(Deficit)/surplus carried forward at 28 September 2015		(6,826)	287,474	280,648	368,624
		=====	=====	=====	=====
CENTRAL HEATING ACCOUNT		Service charge £	Reserve £	Total £	Total £
Brought forward 29 September 2014		0	23,420	23,420	34,646
Service charge demands in year		2,000	0	2,000	58,130
Less expenditure in year		(4,731)	0	(4,731)	(69,356)
(Deficit) for the year	5	(2,731)	0	(2,731)	(11,226)
Transfer		2,731	(2,731)	0	0
Surplus carried forward at 28 September 2015		0	20,689	20,689	23,420
		=====	=====	=====	=====

The notes on page 8 form part of these accounts

STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2015

DRAFT

	Notes	Year to 28-Sept 2015 £	Year to 28-Sept 2014 £
<i>Porterage</i>			
Wages, National Insurance and relief porter		43,239	23,265
Rent		0	9,400
Light, heat and water		0	883
Telephone		0	(22)
Council tax, repairs and other		2,664	408
		<hr/> 45,903	<hr/> 33,934
<i>Expenditure for common parts</i>			
Cleaning including windows and materials		8,326	13,692
Electricity		6,921	9,852
Entryphone hire and repairs		14,198	15,252
Television aerial hire and repairs		13,179	12,005
Fire extinguishers		326	0
Gardening		28,620	26,696
Pest control		5,601	7,488
Sundry		842	1,092
		<hr/> 78,013	<hr/> 86,077
<i>Repairs and building work including associated professional fees</i>			
Routine repairs		59,247	40,878
Reserve and major works expenditure	2	258,417	297,026
Reserve expenditure - central heating		0	16,146
		<hr/> 317,664	<hr/> 354,050
Insurance - Building (including public and employer's liability.)		<hr/> 102,394	<hr/> 99,750
Carried forward		<hr/> 543,974	<hr/> 573,811

**STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2015**

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	Notes	Year to 28-Sept 2015 £	Year to 28-Sept 2014 £
Brought forward		543,974	573,811
<i>Fees</i>			
Health and safety inspection and compliance		0	0
Professional fees		8,010	3,240
Legal fees		3,812	0
Accountancy and taxation		350	1,350
Audit		7,650	7,878
Management		28,850	26,913
		<u>48,672</u>	<u>39,381</u>
Expenditure for the year		<u>592,646</u>	<u>613,192</u>
		=====	=====
Made up as follows:			
Service charge		334,229	300,020
Reserve and major works expenditure		258,417	297,026
Heating works		0	16,146
		<u>592,646</u>	<u>613,192</u>
		=====	=====

**STATEMENT OF CENTRAL HEATING AND HOT WATER SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2015**

	Notes	Year to 28-Sept 2015 £	Year to 28-Sept 2014 £
Insurance (engineering - boiler)		0	492
Gas		(111)	44,950
Repairs and maintenance		4,842	7,268
Electricity		0	500
Total expenditure		<u>4,731</u>	<u>53,210</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 2015**

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	Notes	2015 Total	2014 Total
ASSETS		£	£
Service charges outstanding		32,489	55,113
Debtors and prepayments		134,769	96,322
Due from Ashworth Mansions Limited		12,631	9,672
Bank client account in the name of Kinleigh Limited Service charge account	6	234,735	374,474
Bank accounts - in the name of Kinleigh Limited Re Ashworth Mansions Ltd	6	0	97,222
		<u>414,624</u> =====	<u>632,803</u> =====
LIABILITIES			
Service charges received in advance		23,568	39,756
Creditors and accrued expenses		79,719	191,003
Loan due to Ashworth Mansions Limited	9	10,000	10,000
Reserve fund including major works	7	287,474	331,342
Service charge reserve		(6,826)	37,282
Central heating reserve	7	20,689	23,420
		<u>414,624</u> =====	<u>632,803</u> =====

Approved by the board of directors of Ashworth Mansions Limited and signed on its behalf.

Nick Parker
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 2015**

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1 Accounting policies

Basis of preparation

The service charge accounts are prepared on the accruals basis.

Expenditure includes VAT where applicable

2 Reserve and major works expenditure

	Year to 28-Sept 2015 £	Year to 28-Sept 2014 £
External works	248,054	287,491
Structural works to vault and other	10,363	9,535
	<u>258,417</u>	<u>297,026</u>
	=====	=====
Heating		
Upgrade of gas installation	0	16,146
	<u>0</u>	<u>16,146</u>
	=====	=====

Tax provided on bank interest received

3 Taxation on interest received gross is paid at 20%.

Service charge account

4 The Directors of Ashworth Mansions Limited have agreed that the deficit for the current year should be carried forward.

Central heating and hot water

5 The directors have agreed that any surplus should be repaid to heating tenants when the final costs are received.

Bank accounts

6 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.

Reserves

7 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 directors have agreed to transfer the surplus for the year ended 28 September 2014 to reserves

Capital commitments

8 Capital commitments at 28 September 2015 in respect of external works phase 4 were £9,249.

Ashworth Mansions Limited

9 Ashworth Mansions Limited is the freeholder.

Transactions with directors of Ashworth Mansions Limited

10 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.