

ASHWORTH MANSIONS

ELGIN AVENUE, LONDON

SERVICE CHARGE STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 2017

COMPANY INFORMATION

Directors of Ashworth Mansions Limited

K Williams
M Clements
J Sutcliffe
G Barraclough
R Marais
N Parker
P Knudsen
C Nuttall

Secretary

Kinleigh Limited

Company number

2477421 (England and Wales)

Registered office

Nelson House
58 Wimbledon Hill Road
London
SW19 7PA

Managing agent

Kinleigh Limited
Nelson House
58 Wimbledon Hill Road
London
SW19 7PA

Accountants and auditor

Bell Dinwiddie & Co
6 AC Court
High Street
Thames Ditton
Surrey
KT7 0SR

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

3

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 2017, 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 2017 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 2017 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

Patrick J Bell

Unit 6 AC Court, High Street, Thames Ditton, Surrey, KT7 0SR
Tel: 01372 470 313 E-Mail: patrick@omegapartnership.co.uk

**SUMMARY OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2017**

	Notes	Year to 28-Sept 2017	Year to 28-Sept 2017	Year to 28-Sept 2017	Year to 28-Sept 2016
SERVICE CHARGE ACCOUNT		Service charge £	Reserve £	Total £	Total £
Brought forward 29 September 2016		5,609	498,749	504,358	280,648
Demands in year		331,867	175,442	507,309	506,814
Refund of 2013 expenditure		0	0	0	36,806
Gross Interest received less taxation	3	380	1,055	1,435	1,668
Less expenditure in year		(301,916)	(44,187)	(346,103)	(321,578)
Surplus for the year		30,331	132,310	162,641	223,710
Transfer to reserves	6	6,826	(6,826)	0	0
Surplus carried forward at 28 September 2017		42,766	624,233	666,999	504,358
		=====	=====	=====	=====
CENTRAL HEATING ACCOUNT		Service charge £	Reserve £	Total £	Total £
Brought forward 29 September 2016		(2,046)	7,517	5,471	20,689
Less expenditure in year	2	0	(5,464)	(5,464)	(15,218)
(Deficit)/surplus carried forward		(2,046)	2,053	7	5,471
Transfer		2,046	(2,046)	0	0
Surplus carried forward at 28 September 2017		0	7	7	5,471
		=====	=====	=====	=====

The notes on page 8 and 9 form part of these accounts

STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2017

	Notes	Year to 28-Sept 2017 £	Year to 28-Sept 2016 £
<i>Porterage</i>			
Wages, National Insurance and pension		46,977	46,458
Porter supplies and broadband		1,531	383
		<hr/> 48,508	<hr/> 46,841
<i>Expenditure for common parts</i>			
Cleaning materials and supplies		1,559	2,625
Electricity		9,278	8,248
Entryphone hire and repairs		13,988	14,106
Television aerial hire and repairs		13,056	12,860
Fire extinguishers		522	0
Gardening and tree maintenance		29,219	25,912
Pest control		5,522	12,747
Sundry		450	359
		<hr/> 73,594	<hr/> 76,857
<i>Repairs and building work including associated professional fees</i>			
Routine repairs		31,342	52,471
Reserve and major works expenditure	2	44,187	1,860
Reserve expenditure - central heating	2	5,464	13,172
		<hr/> 80,993	<hr/> 67,503
<i>Insurance</i>			
Insurance - Building (including public and employer's liability)		105,953	105,997
Insurance rebate for the previous year		0	(5,515)
		<hr/>	<hr/>
<i>Fees</i>			
Health and safety inspection and compliance		834	0
Professional fees		3,457	2,400
Legal fees		0	3,384
Accountancy and taxation		350	350
Audit		8,150	7,650
Management		29,728	29,283
		<hr/> 42,519	<hr/> 43,067
Carried forward		<hr/> 351,567	<hr/> 334,750

**STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2017**

	Year to 28-Sept 2017 £	Year to 28-Sept 2016 £
Brought forward	351,567	334,750
Expenditure for the year	<u>351,567</u>	<u>334,750</u>
Made up as follows:	=====	=====
Service charge	301,916	319,718
Reserve and major works expenditure - note 2	49,651	15,032
	<u>351,567</u>	<u>334,750</u>
	=====	=====

**STATEMENT OF CENTRAL HEATING AND HOT WATER SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2017**

	Year to 28-Sept 2017 £	Year to 28-Sept 2016 £
Electricity	0	0
Repairs and maintenance	0	2,046
Total expenditure	<u>0</u>	<u>2,046</u>
	=====	=====

The notes on page 8 and 9 form part of these accounts

ASHWORTH MANSIONS - ELGIN AVENUE, LONDON

7

**BALANCE SHEET
AS AT 28 SEPTEMBER 2017**

	Notes	2017 Total	2016 Total
ASSETS		£	£
Service charges outstanding		13,330	5,266
Debtors and prepayments		94,978	90,894
Due from Ashworth Mansions Limited		18,524	16,891
Bank client account in the name of Kinleigh Limited Service charge account	5	584,474	448,103
		<u>711,306</u>	<u>561,154</u>
		=====	=====
LIABILITIES			
Service charges received in advance		15,826	15,110
Creditors and accrued expenses		28,474	36,215
Reserve fund including major works	6	624,233	498,749
Service charge reserve		42,766	5,609
Central heating reserve		7	5,471
		<u>711,306</u>	<u>561,154</u>
		=====	=====

Financial statements on pages 4 to 9 approved by:

Nick Parker
As Director for Ashworth Mansions Limited

Date -

The notes on page 8 and 9 form part of these accounts

**NOTES ON THE STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2017**

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 2017 £	Year to 28-Sept 2016 £
Refund from UK Power Networks for work not required	0 =====	(36,806) =====
External works	0	0
Structural works to vault and other	44,187	1,860
	<u>44,187</u>	<u>1,860</u>
Heating - removal of boilers and other related costs	5,464	13,172
	<u>5,464</u>	<u>13,172</u>
Total reserve expenditure	49,651 =====	15,032 =====

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 carried forward.

5 Bank accounts

All bank balances are held in trust in client accounts.

Funds are held in accounts at Lloyds Bank in the name of Kinleigh Ltd designated as follows:
(K Ltd Re Ashwth Mans Ltd S/C Client A/C and KinleighLtd Client Ac- Re Ashworthman R)

6 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 service charge deficit of £6,826 at 29 September 2015 has been transferred to reserves.

7 Capital commitments

There were no capital commitments at 28 September 2017

8 Ashworth Mansions Limited

Ashworth Mansions Limited is the freeholder.

**NOTES ON THE STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR THE YEAR ENDED 28 SEPTEMBER 2017**

9 *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.

10 *Management fees*

KFH (Kinleigh Limited trading as Kinleigh Folkard & Hayward) as an ARMA Q compliant agent charge an annual management fee and from time to time may charge extra fees for other services, such as: major works management, insurance brokerage and management as a FCA approved company, service charge litigation management for non payment of service charge and utility brokerage, where a proportionate charge and service has been provided. Where applicable, for surveying related activities, this service is provided by KFH Chartered Surveyors (trading as Kinleigh Folkard & Hayward Limited).