

Knights Grove (North Baddesley)

SERVICE CHARGE ACCOUNTS

from 1st January 2011 to 31st December 2011

Service Charge Statement of Account for Knights Grove (North Baddesley)

For the Accounting Year from 1st January 2011 to 31st December 2011

Income and Expenditure Account

	£	Actual £	Budget £
<u>Repairs &amp; Maintenance</u>			
Cleaning Contract		5,999	5,808
Communal Window Cleaning		1,776	1,730
Sign Writing & Notices		954	-
Door Entry System		312	400
Drainage & Sewerage		2,017	1,000
Refuse Collection		336	200
Fire Equipment Maintenance		1,476	566
Aerial Maintenance		-	100
Electrical Maintenance		1,704	1,500
General Repairs & Maintenance		2,665	2,960
Key Fobs & Transmitters		(29)	-
<u>Grounds Maintenance</u>			
Grounds Maintenance		17,940	17,037
<u>Insurance</u>			
Buildings Insurance		3,750	3,305
Terrorism Insurance		-	238
Directors & Officers Insurance		418	-
Insurance Valuation		861	860
<u>Professional Fees</u>			
Management Fees		17,367	16,565
Company Secretarial Fees		740	800
Directorship Fees		1,234	1,326
Accountancy Fees		2,168	2,170
Health & Safety		1,004	1,270
Legal & Professional Fees		-	650
Sundry Expenses		1,140	1,150
<u>Utilities</u>			
Electricity		604	1,650
Electricity - prior year adjustment		(1,613)	-
Water		113	200
<u>Contributions Transferred to Reserve Fund</u>			
Reserve Fund Contribution		5,800	5,800
<b>TOTAL EXPENDITURE</b>		<u>£68,736</u>	<u>£67,284</u>
<u>Income</u>			
Service Charges Receivable	81,484		
Reserve Fund Charges Receivable	5,800		
		67,284	
<b>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</b>		<u>(£1,452)</u>	

**FOR AND ON BEHALF OF  
RESIDENTIAL MANAGEMENT GROUP LTD.**

Approved by the Board on ..... 06.06.12 ..... and signed on its behalf by

.....  
Director

.....  
**AUTHORISED SIGNATORY**

Service Charge Statement of Account for Knights Grove (North Baddesley)Balancing Statement as at 31st December 2011

	Notes	£	£
<u>ASSETS</u>			
Service Charges Owed by Tenants			7,006
Sundry Debtors			3,080
Sums Paid in this Period but Relating to Subsequent Periods	4		524
Balances Held: Cash at Bank and in Hand	5		<u>14,040</u>
			24,650
<u>LESS: LIABILITIES</u>			
Service Charges Paid in Advance:			
i) by tenants		611	
Costs Relating to this or Previous Period but not Yet Paid	6	<u>9,224</u>	9,835
			<u>£14,815</u>
<u>NET ASSETS / (LIABILITIES)</u>			
<u>RESERVE FUND</u>	3		30,572
<u>INCOME &amp; EXPENDITURE RESERVE</u>	7		(15,757)
			<u>£14,815</u>

Approved by the Board on 06/06/2012 and signed on its behalf by

**FOR AND ON BEHALF OF  
RESIDENTIAL MANAGEMENT GROUP LTD.**

.....Director

  
.....  
**AUTHORISED SIGNATORY**

Notes to Service Charge Statement of Account for Knights Grove (North Baddesley)For the Accounting Year from 1st January 2011 to 31st December 20111 Accounting policies

The accounts are prepared in accordance with the lease and on the accruals basis

2 Tax provided on bank interest received

Service charge monies are held on trust in accordance with section 42, Landlord and Tenant Act 1987. Interest earned on service charge monies held on deposit is taxable at the basic rate of income tax. The rate of tax applied to interest received during the year was 20% which was deducted at source.

3 Reserve Fund(s)

The reserve fund has been established in accordance with the lease to provide funds to meet the costs of future anticipated expenditure

	£	£
Balance Brought Forward from 31st December 2010	24,772	
Reserve Fund Transferred in the Year	<u>5,800</u>	30,572
		<u>£30,572</u>
Reserve Fund Transfers From Service Charge Account		12,327
Balance Due From Service Charge Funds		18,245
Balance		<u>£30,572</u>

**Notes to Service Charge Statement of Account for Knights Grove (North Baddesley)**

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**For the Accounting Year from 1st January 2011 to 31st December 2011**

4 Sums Paid in this Period but Relating to Subsequent Periods

	£
Buildings Insurance	524
	<u>£524</u>

5 Balances Held: Cash at Bank and in Hand

	£
Cash at Bank and in Hand - Service Charge Funds	1,713
Cash at Bank and in Hand - Reserve Funds	12,327
	<u>£14,040</u>

All bank accounts are held in trust in accordance with S.42 (Landlord & Tenant Act 1987) at;

Halifax Bank of Scotland (HBOS), New Uberior House, 11 Earl Grey Street, EH3 9BN

Under the title;

Account Name: Knights Grove Client AVC  
Account Number(s): 06672708, 06886118, 06886097

For the Accounting Year from 1st January 2011 to 31st December 2011

6 Costs Relating to this or Previous Period but not Yet Paid

	£
Accountancy Fees	3,850
Electricity	333
Water	98
Fire Equipment Maintenance	101
Cleaning Contract	1,000
Grounds Maintenance	2,972
Electrical Maintenance	115
Communal Window Cleaning	296
General Repairs & Maintenance	459
	<u>£9,224</u>

7 Income & Expenditure Reserve

	£
Balance Brought Forward from 31st December 2010	(15,295)
Sundry Debtors Adjustment Relating to Prior Years	990
Current Year Deficit transferred	(1,452)
Income & Expenditure Reserve Balance as at 31st December 2011	<u>(£15,757)</u>

8 Transactions with directors of Knights Grove (North Baddesley) MCL

During the period, an employee of Residential Management Group Limited was a Director of the company. Residential Management Group Limited acted as managing agent and may have provided associated services including accounts preparation and the arrangement of insurance. Insurance is arranged through Barbon Insurance Group Limited which is a company whose parent company is the same as that of Residential Management Group Ltd. Company Secretarial services may have provided by Hertford Company Secretaries Limited, a subsidiary of Residential Management Group Limited.

**Knights Grove (North Baddesley)**

**Expenditure for the Period**

**from 1st January 2011 to 31st December 2011**

**Independent Accountant's report to the Landlord / Managing Agent of Knights Grove (North Baddesley)**

In accordance with the terms of our engagement, we have examined the service charge statement of account set out on pages one to five in respect of Knights Grove (North Baddesley) for the year ended 31st December 2011 together with the books and records maintained by the Managing Agent in so far as they relate to Knights Grove (North Baddesley).

This report is made to the Landlord / Managing Agent for issue with the service charge statement in accordance with section 21 of the Landlord and Tenant Act 1985. Our work has been undertaken to enable us to make this report to the Landlord / Managing Agent and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Landlord for our work or for this report.

Under the terms of this engagement, we are 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 the Landlord and independent Accountant**

Under the Landlord and Tenant Act 1985, the Landlord is responsible for the preparation of this service charge statement in respect of the costs in respect of Knights Grove (North Baddesley). The Managing Agent may have undertaken responsibility for the preparation of the service charge statement on behalf of the Landlord. It is our responsibility to form an independent opinion, based on our examination, on the service charge statement and to report our opinion to the Landlord / Managing Agent.

**Basis of opinion**

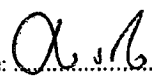
We have planned and performed our examination so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the service charge statement is a fair summary of the costs relating to Knights Grove (North Baddesley) and is sufficiently supported by accounts, receipts and other documents which have been made available to us. In view of the purpose of 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 audit opinion under the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

**Certificate**

We certify that:

- a) In our opinion the service charge statement is a fair summary complying with the requirements of section 21 (5) of the Landlord and Tenant Act 1985.
- b) The summary is sufficiently supported by accounts, receipts and other documents which have been produced to us.

Date: **18 JUN 2012**  
6-7 Castle Gate  
Castle Street  
Hertford  
Hertfordshire  
SG14 1HD

Signature:   
Thomas David  
Chartered Accountants &  
Statutory Auditors