

Knights Grove (North Baddesley) Management Limited
(Limited by Guarantee)

Management Accounts

For the Year to 31 December 2014

Page 1	Accountant's report
2	Balancing Statement
3	Income and Expenditure Account
4 - 5	Notes
6	Ground Rent Balancing Statement

Knights Grove (North Baddesley) Limited
A Company limited by Guarantee

Accountant's report to the members of Knights Grove (North Baddesley) Limited

You have stated that an audit of the maintenance accounts in accordance with International Standards on Auditing is not required. In accordance with the terms of our engagement letter we have performed the procedures agreed with you and enumerated below with respect to the Management accounts set out on pages two to six in respect of Knights Grove (North Baddesley) Limited for the year ended 31 December 2014 in order to provide a report of factual findings about the Management accounts that you have issued.

This report is made to the Directors of the Company for issue with the management accounts. Our work has been undertaken to enable us to make this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors for our work or for this report.

Basis of report

Our work was carried out having regard to TECH 03/11 *Residential Service Charge Accounts* published jointly by the professional accountancy bodies with ARMA and RICS. In summary, the procedures we carried out with respect to the management accounts were:

1. We obtained the management accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of the Company;
2. We checked, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected; and
3. We checked whether the balance of maintenance charge monies for this property shown on the balancing statement of the Management accounts agreed or reconciled to the bank statement(s) for the account(s) in which the funds are held.

Because the above procedures do not constitute an audit or review made in accordance with International Standards on Auditing (UK and Ireland) or International standards on Review Engagements, we do not express any assurance on the Management accounts other than in making the factual statements set out below.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Report of factual findings:

- (a) With respect to item 1 we found the figures in the statement of account to have been extracted correctly from the accounting records.
- (b) With respect to item 2 we found that those entries in the accounting records that we checked were supported by receipts, other documentation or evidence that we inspected. We have not seen the engagement letter or agreement of charges on which Residential Management Group Limited raised their fee bills.
- (c) With respect to item 3 we found that the balance of maintenance charge and reserve account monies shown on the balancing statement was correct in combined total but had not been adjusted between the two bank accounts so that each was correct. This has been remedied since the accounting date.
- (d) Up to 31 October 2014 the accounts were maintained by Residential Management Group Limited. Whizz Estates Limited was appointed from 1 November 2014.

Date: **24 APRIL 2015**
 Monks Brook House
 13/17 Hursley Road
 Chandlers Ford, Eastleigh
 Hampshire
 SO53 2FW

Signature 
 Whizz Estates Limited

Management Accounts for Knights Grove (North Baddesley)
Balancing Statement as at 31 December 2014

<u>ASSETS</u>	Notes	£	£
Maintenance Charges Owed by Tenants			7,256
Bank Balances	3		<u>33,737</u>
			40,993
<u>LESS: LIABILITIES</u>			
Maintenance Charges Paid in Advance		1,762	
Costs Relating to this or Previous Period but not Yet Paid	4	3,169	
			<u>4,932</u>
<u>NET ASSETS/(LIABILITIES)</u>			<u><u>36,061</u></u>
<u>RESERVE FUND</u>	5		35,510
<u>MAINTENANCE CHARGE FUND</u>	6		<u>551</u>
			<u><u>36,061</u></u>

Approved by the Board on 24/7/15 and signed on its behalf by

Bob Harris

	Budget 2015 £	Actual 2014 £	Budget 2014 £
Income			
Maintenance Charges Receivable	43,784	70,548	72,631
Bank Interest Received Net	-	9	-
	<u>43,784</u>	<u>70,557</u>	<u>72,631</u>
Estate Maintenance			
Grass Cutting	640		
Landscaping	9,800	11,149	13,379
Tree Surgery	1,314	-	1,000
Ditches & Balancing Pond	1,000	1,898	1,800
Flats Maintenance			
Communal Cleaning	3,120	5,377	5,815
Window Cleaning	1,800	978	1,288
Electrical Maintenance	1,200	1,076	1,000
Door Entry & Fire Alarm	750	-	1,074
Fire Equipment Maintenance		667	604
Repairs & Maintenance	1,500	4,827	6,100
Gardening	1,200		
Electricity	480	1,992	1,600
Water		110	60
Drainage	450		
Five Year Electrical Test		300	-
Insurance			
Buildings Insurance	4,438	6,253	4,320
Public Liability Insurance	778	1,040	820
Directors' Insurance	509	509	-
Insurance Valuation		645	-
Management Fees			
Accounts & Audit	3,316	2,749	2,301
Debt Collection Costs	1,500		
Management Fees		19,030	19,029
Company Secretarial Fees		803	804
Directorship Fees		767	1,236
Legal & Professional Fees		78	240
Printing, Postage & Stationery	900	1,575	1,450
Rent Collection Fee		338	360
Administration Costs	240	459	-
General Expenses		545	-
Safety	100		
Directors' Expenses	480		
Venue Hire	80	149	150
Payment Incentive	2,189		
Contributions Transferred to Reserve Fund			
Reserve Fund Contribution	6,000	8,201	8,200
TOTAL EXPENDITURE	<u>43,784</u>	<u>71,515</u>	<u>72,630</u>
SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD		<u>-958</u>	<u>1</u>

1 Accounting policies

The accounts are prepared in accordance with the lease or Land Transfer Contract and on the accruals basis.

2 Tax provided on bank interest received

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

3 Bank Balances

£

Reserve Account	35,510
Maintenance Charge Account	<u>-1,773</u>
	<u><u>33,737</u></u>

All bank accounts are held in trust in accordance with S.42 (Landlord & Tenant Act 1987) at;
National Westminster Bank Plc (NatWest), 123 Winchester Road, Chandlers Ford, SO53 2UA

Under the title;

Account Name: Knights Grove (North Baddesley) Client A/C
Account Number(s): 22667512, 22667520, 22667555

4 Costs Relating to this or Previous Period but not yet paid

£

Cleaning Contract	240
Window Cleaning	12
General Repairs & Maintenance	117
Directors' Expenses	114
Accountancy Fees	2,750
Electricity	<u>-64</u>
	<u><u>3,169</u></u>

5 Reserve Fund(s)

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

£

Balance Brought Forward from 31 December 2013	27,290
Reserve Fund Bank Account Interest Received Net	19
Reserve Contributions	<u>8,201</u>
Balance Carried Forward as at 31 December 2014	<u><u>35,510</u></u>

Apportioned to:

Estate	28,448
1-12 Chilcott Court Flats (12)	3,527
29-39 Borden Way Flats (6)	1,761
1-6 Harris Way Flats (6)	1,761
Flats over Garages (5)	4
Garages (13)	<u>9</u>
	<u><u>35,510</u></u>

6 <u>Maintenance Charge Fund</u>	£
Balance Brought Forward from 31 December 2013	1,509
Current Years Surplus/(Deficit) Transferred	-958
Write offs re prior years	-
Income & Expenditure Reserve Balance as at 31 December 2014	<u><u>551</u></u>

7 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. Company Secretarial services may have been provided by Hertford Group Limited. Company Secretaries Limited, a subsidiary of Residential Management

<u>ASSETS</u>	£
Ground Rent Account Bank Account	63
LESS: LIABILITIES	
Ground Rent paid in Advance	63
NET ASSETS/(LIABILITIES)	<u><u>0</u></u>