

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

**Management Accounts**

**For the Year to 31 December 2015**

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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 2015 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.
- (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) Whizz Estates Limited was appointed from 1 November 2014 to 31 March 2016.

Date: .....  
 Monks Brook House  
 13/17 Hursley Road  
 Chandlers Ford, Eastleigh  
 Hampshire  
 SO53 2FW

Signature .....  
 Whizz Estates Limited

**TRUST ACCOUNT**

Management Accounts for Knights Grove (North Baddesley)  
Balancing Statement as at 31 December 2015

	Notes	£	£
<u>ASSETS</u>			
Maintenance Charges Owed by Tenants			1,355
Cash at bank			<u>54,933</u>
			56,288
 <u>LESS: LIABILITIES</u>			
Maintenance Charges Paid in Advance		2,468	
Costs Relating to this or Previous Period but not Yet Paid	4	7,513	
			<u>9,981</u>
<u>NET ASSETS</u>			<u><u>46,307</u></u>
 <u>RESERVE FUND</u>			
	5		35,751
<u>MAINTENANCE CHARGE FUND</u>	6		<u>10,556</u>
<u>RESERVE FUND</u>			<u><u>46,307</u></u>

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

.....

**TRUST ACCOUNT**

Management Accounts for Knights Grove (North Baddesley)  
 For the Accounting Period from 1 January 2015 to 31 December 2015  
Income and Expenditure Account

	Budget 2016 £	£	Actual 2015 £	Budget 2015 £
<b><u>Income</u></b>				
Maintenance Charges Receivable	39,315		44,076	43,784
Bank Interest Received Net	-		98	-
	<u>39,315</u>		<u>44,174</u>	<u>43,784</u>
<b><u>Estate Maintenance</u></b>				
Grass Cutting	640		594	640
Landscaping	8,000		8,000	9,800
Tree Surgery	1,000		1,230	1,314
Ditches & Balancing Pond	500		1,302	1,000
Repairs & Maintenance	2,000		96	-
<b><u>Flats Maintenance</u></b>				
Communal Cleaning	3,120		3,131	3,120
Window Cleaning	1,600		1,085	1,800
Electrical Maintenance	1,195		618	1,200
Door Entry & Fire Alarm	450		-	750
Repairs & Maintenance	1,000		6,134	1,500
Gardening	-		500	1200
Electricity	750		521	480
Water	-		-28	-
Drainage	600		540	450
Transfer from Reserves	-		-5,778	-
<b><u>Insurance</u></b>				
Buildings Insurance	3,869		3,589	4,438
Public Liability Insurance	716		680	778
Directors' Insurance	537		509	509
<b><u>Management Fees</u></b>				
Accounts	5,000		3,000	3,316
Debt Collection Costs	1,000		192	1500
Legal & Professional Fees	-		463	-
Printing, Postage & Stationery	50		28	900
Administration Costs	-		-	240
General Expenses	30		280	-
Bank charges	100			100
Directors' Expenses	900		290	480
Venue Hire, Entertainment	84		353	80
Payment Incentive	-		842	2,189
<b><u>Contributions Transferred to Reserve Fund</u></b>				
Reserve Fund Contribution	6,174		6,000	6,000
<b><u>TOTAL EXPENDITURE</u></b>	<u>39,315</u>		<u>34,169</u>	<u>43,784</u>
<b><u>SURPLUS AT END OF ACCOUNTING PERIOD</u></b>	<u>-</u>		<u>10,005</u>	<u>0</u>

**TRUST ACCOUNT**Notes to Management Accounts for Knights Grove (North Baddesley)  
For the Year to 31 December 20151 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	22,530
Maintenance Charge Account	32,403
	<u>54,933</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

£

Blake Morgan	48
TVBC	594
General Repairs & Maintenance	1,302
Directors' Expenses	463
Southern Water	-28
Electricity	19
Willow Services	3,575
Reserve Fund Contribution	40
Accountancy	1,500
	<u>7,513</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 2014	35,510
Reserve Fund Bank Account Interest Received Net	18
Contribution to re-carpeting at flats	-5,778
Reserve Contributions	<u>6,000</u>
	35,751
Add maintenance fund for year	10,556
Balance Carried Forward as at 31 December 2015	<u>46,307</u>

Apportioned as:

Estate	22,448	5288	27,736
1-12 Chilcott Court Flats (12)	5,609	2372	7,981
29-39 Borden Way Flats (6)	3,341	1652	4,992
1-6 Harris Way Flats (6)	3,341	442	3,783
Flats over Garages (5)	1,004	456	1,460
Garages (13)	9	347	356
	<u>35,751</u>	<u>10,556</u>	<u>46,307</u>

**TRUST ACCCOUNT**

Notes to Management Accounts for Knights Grove (North Baddesley)  
For the Year to 31 December 2015

continued

6	<u>Maintenance Charge Fund</u>	£
	Balance Brought Forward from 31 December 2014	551
	Current Years Surplus Transferred	10,005
	Income & Expenditure Reserve Balance as at 31 December 2015	<u><u>10,556</u></u>
7	<u>Transactions with directors of Knights Grove (North Baddesley) MCL</u>	
	No salaries are paid. Expenses are re-imbursed at cost. Service Charges are paid to the company at the standard rates	
8	<u>Ground Rent</u>	
	The Company acts as Trustee on behalf of the Freeholder.	

**TRUST ACCOUNT**

Management Accounts for Knights Grove (North Baddesley)  
 Ground Rent Balancing Statement at 31 December 2015

ASSETS

£

Cash at Bank		3,405
Debtors		188
Transfer from Service Charge account		35
ASSETS HELD		<u>3,628</u>
Freehold Account	note 8	
Brought forward		63
Collected in year		3565
Due to Freeholder		<u>3628</u>