

**Knights Grove (North Baddesley) Management Company Limited**  
**(Limited By Guarantee)**

**MANAGEMENT ACCOUNTS**

**For the Year to 31st December 2019**

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**Knight's Grove (North Baddesley) Management Company Limited**

Accountant's Report to the members of Knights Grove (North Baddesley) Management Company 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 2-6 in respect of Knights Grove (North Baddesley) Management Company Limited for the Year Ended 31st December 2019 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 under-taken to enable us to make this report and for no other purposes. 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 as follows:-

- 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 the maintenance charge monies for this property shown on the Balancing statement of the Management Accounts agreed or reconciled to the Bank Statements for the accounts 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 (ISA UK & Ireland) or International Standards on Review Engagements (ISRE), 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, detailed above, 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
- d Maven Accountants Limited was appointed from 01st April 2016 and remains appointed at the date of the signing of this report.

Date:  
PO Box 1882  
Southampton  
SO15 9JZ

Signature:  
Maven Accountants Limited

**TRUST ACCOUNT**

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Management Accounts for Knights Grove (North Baddesley) Management Co Ltd  
Balancing Statement as at 31st December 2019

<u>ASSETS</u>	<u>Notes</u>	<u>£</u>	<u>£</u>
Maintenance Charges Owed by Tenants			1,729
Prepaid Expenses			69
Cash at Bank			54,973
Transfers due from Ground Rent Account			580
<u>LESS: LIABILITIES</u>			
Maintenance Charges paid in Advance		533	
Costs Relating to this or Previous Period but not yet paid	4	712	
			1,245
<u>NET ASSETS</u>			<u><u>56,106</u></u>
<u>TOTAL RESERVE FUND</u>	5		<u><u>56,106</u></u>

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

..... S McCulloch-Chairman

..... J Cook ACMA- Finance Director

**TRUST ACCOUNT**

Management Accounts for Knights Grove (North Baddesley) Management Co Ltd  
For the Accounting period from 01st January 2019 to 31st December 2019  
Income & Expenditure Account

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	<u>Notes</u>	Budget 2020 £	Actual 2019 £	Budget 2019 £
<b><u>Income</u></b>				
Maintenance Charges Receivable	1a	41,549	39,610	41,150
Bank Interest Received Net			145	-
<b><u>Estate Maintenance</u></b>				
Grass Cutting		680	550	640
Landscaping		10,000	10,690	10,500
Tree Surgery		1,500	1,215	1,500
Ditches & Balancing Pond		600	557	500
Fencing		1,500	1,290	1,500
Dog Poo Bins		-	414	-
<b><u>Flats Maintenance</u></b>				
Communal Cleaning		3,432	3,120	3,276
Window Cleaning		1,487	1,188	1,444
Electrical Maintenance		1,195	181	1,195
Door Entry & Fire Alarm		450	4,082	450
Repairs & Maintenance		1,090	1,943	1,100
Electricity		765	822	765
Drainage		600	1,445	600
<b><u>Insurance</u></b>				
Buildings Insurance		4,535	4,409	4,191
Public Liability Insurance		815	801	825
Directors' Insurance		535	521	584
<b><u>Management Fees</u></b>				
Accounts		7,440	6,480	5,880
Debt Collection Costs		115		500
Legal & Professional Fees		-		
Income Tax Expense		-	30	
Printing, Postage & Stationary		25	15	50
Administration Costs		-		
Internet Costs		150	-	250
Bank Charges				-
Directors' Expenses		450	768	500
Venue Hire, Entertainment		85	75	75
Payment Incentive				-
Consultancy Charges				-
Budgeting Fees				-
<b><u>Total Expenditure</u></b>		37,449	40,596	36,325
<b><u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD</u></b>		<u>4,100</u>	<u>(£841)</u>	<u>4,825</u>

## TRUST ACCOUNT

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd  
For the Year to 31st December 2019

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### 1 Accounting Policies

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

#### 1a Maintenance Charges Receivable

	£
Gross Maintenance Charges Receivable	41,150.00
Less: 5% Discounts taken for early settlement	(£1,539.47)
Net Maintenance Charges Receivable	£39,610.53

### 2 Tax Provided on Bank Interest Received

Maintenance Charge monies are held on Trust in accordance with Section 42, Landlord & Tenant Act 1987. Interest held 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	54,058
Maintenance Charge Account	915
	<u>54,973</u>

All Bank Accounts are held in Trust in accordance with Section 42 (Landlord & Tenant Act 1987) at:

Barclays Bank Plc. (Barclays), 69B High Street, Southampton, Hampshire, SO14 7DZ

Under the title:

Account Name: Knights Grove (North Baddesley) Management Company Limited  
Account Number(s): 20748641, 00648183 & 20192139

### 4 Costs Relating to this or Previous Period but not Yet Paid

	£
Electricity	109
Complete Garden Services	183
Director's Expenses	60
Dog Litter Bins	360
	<u>712</u>

### 5 Reserve Fund

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 31st December 2018	56,947
Less: Maintenance Deficit for the year	(841)
Less: Monies transferred from Maintenance to Ground Rent	-
Balance Carried Forward as at 31st December 2019	<u>56,106</u>

Apportioned as:	Reserve Fund B/fwd	Maintenance Fund	Reserve Fund C/Fwd
Estate	26,748	(951)	25,797
1-12 Chilcott Court Flats (12)	10,962	547	11,509
29-39 Borden Way Flats (6)	7,383	1,195	8,578
1-6 Harris Way Flats (6)	9,826	(1,805)	8,021
Flats over Garages (5)	1,819	175	1,994
Garages (13)	209	(2)	207
	<u>56,947</u>	<u>(841)</u>	<u>56,106</u>

## TRUST ACCOUNT

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd  
For the Year to 31st December 2019

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continued

6 Transactions with Directors of Knights Grove (North Baddesley) MCL

No salaries are paid. Expenses are re-imbursed at cost. Service Charges are paid to the company at the standard rates.

7 Ground Rent

The Company act as Trustee on behalf of the Freeholder

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Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd  
For the Year to 31st December 2019

continued

Ground Rent Balancing Statement as at 31st December 2019

<u>ASSETS</u>	<u>£</u>
Cash at Bank	23,286
Debtors	
Paid in Advance	( 2)
Tfr to Service Charge Acct	( 580)
ASSETS HELD	<u>22,704</u>
FREEHOLD ACCOUNT	
Brought Forward	17,746
Movement in the Year	4,958
DUE TO FREEHOLDER	<u>22,704</u>