

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

**MANAGEMENT ACCOUNTS**

**For the Year to 31st December 2017**

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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 2017 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 634  
Eastleigh  
SO50 0LL

Signature:  
Maven Accountants Limited

**TRUST ACCOUNT**

Management Accounts for Knights Grove (North Baddesley) Management Co Ltd  
Balancing Statement as at 31st December 2017

<u>ASSETS</u>	<u>Notes</u>	<u>£</u>	<u>£</u>
Maintenance Charges Owed by Tenants			1,440
Prepaid Expenses			-
Cash at Bank			62,502
<u>LESS: LIABILITIES</u>			
Maintenance Charges paid in Advance		195	
Costs Relating to this or Previous Period but not yet paid	4	2,166	
			2,361
<u>NET ASSETS</u>			<u><u>61,581</u></u>
<u>RESERVE FUND</u>	5		61,581
<u>MAINTENANCE CHARGE FUND</u>	6		-
<u>TOTAL RESERVE FUND</u>			<u><u>61,581</u></u>

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

..... S McCulloch-Chairman

..... J Cook ACMA- Finance Director

**TRUST ACCOUNT**

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Management Accounts for Knights Grove (North Baddesley) Management Co LtdFor the Accounting period from 01st January 2017 to 31st December 2017Income & Expenditure Account

	<u>Notes</u>	Budget 2018 £	Actual 2017 £	Budget 2017 £
<b><u>Income</u></b>				
Maintenance Charges Receivable	1a	42,405	45,356	45,356
Bank Interest Received Net		-	-	-
<b><u>Estate Maintenance</u></b>				
Grass Cutting		640	560	640
Landscaping		10,500	11,522	11,280
Tree Surgery		1,500	390	1,000
Ditches & Balancing Pond		500	1,100	500
Repairs & Maintenance		750	2,344	1,000
Fencing		750	2,190	-
<b><u>Flats Maintenance</u></b>				
Communal Cleaning		3,182	3,120	3,120
Window Cleaning		1,444	1,188	1,416
Electrical Maintenance		1,195	1,676	1,195
Door Entry & Fire Alarm		450	-	450
Repairs & Maintenance		1,000	255	1,000
Electricity		765	666	750
Drainage		600	-	600
Transfer from Reserves			-	-
<b><u>Insurance</u></b>				
Buildings Insurance		4,053	3,736	3,954
Public Liability Insurance		766	755	766
Directors' Insurance		555	525	555
<b><u>Management Fees</u></b>				
Accounts		5,880	5,066	4,500
Debt Collection Costs		500	-	1,000
Legal & Professional Fees		-	-	-
Printing, Postage & Stationery		50	42	50
Administration Costs		-	-	-
Internet Costs		250	-	150
Bank Charges		-	-	100
Directors' Expenses		500	577	1,200
Venue Hire, Entertainment		50	40	84
Consultancy Charges		-	1,000	2,500
Budgeting Fees		-	1,103	2,500
<b><u>Contributions Transferred to Reserve Fund</u></b>				
Reserve Fund Contribution		6,525	4,102	5,046
<b><u>Total Expenditure</u></b>		42,405	41,956	45,356
<b><u>SURPLUS AT END OF ACCOUNTING PERIOD</u></b>		-	<b>£3,400</b>	-

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd  
For the Year to 31st December 2017

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 & 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 <u>Bank Balances</u>	£
Reserve Account	54,078
Maintenance Charge Account	8,424
	<u>62,502</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

	£
Directors' Expenses	-
Electricity	66
Accountancy	<u>2,100</u>
	2,166

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 2016	39,257
Reserve Fund Bank Account Interest Received Gross	11
Reserve Contributions	<u>4,102</u>
	43,370
Add: Maintenance Fund tfr to Reserves	18,211
Balance Carried Forward as at 31st December 2017	61,581

Apportioned as:	Reserve Fund	Maintenance Fund Tfr to Reserves	Reserve Fund C/f
Estate	23,637	9,435	33,072
1-12 Chilcott Court Flats (12)	6,761	2,251	9,012
29-39 Borden Way Flats (6)	5,741	3,141	8,882
1-6 Harris Way Flats (6)	5,741	3,100	8,841
Flats over Garages (5)	1,404	181	1,585
Garages (13)	86	103	189
	<u>43,370</u>	<u>18,211</u>	<u>61,581</u>

**TRUST ACCOUNT**

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd  
For the Year to 31st December 2017

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6	<u>Maintenance Charge Fund</u>	£
	Balance Brought forward from 31st December 2016	14,811
	Current Years' Surplus	3,400
	Transferred to Reserves	(18,211)
	Income & Expenditure Reserve Balance as at 31st December 2017	<u><u>-</u></u>

7 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.

8 Ground Rent

The Company act as Trustee on behalf of the Freeholder

**TRUST ACCOUNT**

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd  
For the Year to 31st December 2017  
Ground Rent Balancing Statement as at 31st December 2017

<u>ASSETS</u>	<u>£</u>
Cash at Bank	11,757
Debtors	58
Tfr from Service Charge Acct	985
ASSETS HELD	<u>12,800</u>
<b>FREEHOLD ACCOUNT</b>	
Brought Forward	7,883
Movement in the Year	4,918
DUE TO FREEHOLDER	<u>12,800</u>