

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

MANAGEMENT ACCOUNTS

For the Year to 31st December 2018

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Knights 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 2018 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 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 AMMA 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
S050 0LL

Signature:
Maven Accountants Limited

TRUST ACCOUNT

Management Accounts for Knights Grove (North Baddesley) Management Co Ltd
Balancing Statement as at 31st December 2018

<u>ASSETS</u>	<u>Notes</u>	<u>£</u>	<u>£</u>
Maintenance Charges Owed by Tenants			1,774
Prepaid Expenses			-
Cash at Bank			58,817
Transfers due from Ground Rent Account			14
LESS: LIABILITIES			
Maintenance Charges paid In Advance		189	
Costs Relating to this or Previous Period but not yet paid	4	3,469	
			3,657
NET ASSETS			<u><u>56,947</u></u>
TOTAL RESERVE FUND	5		<u><u>56,947</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 2018 to 31st December 2018
Income & Expenditure Account

	Notes	Budget 2019 £	Actual 2018 £	Budget 2018 £
Income				
Maintenance Charges Receivable	1a	41,150	41,312	42,405
Bank Interest Received Net		-	147	-
Estate Maintenance				
Grass Cutting		640	980	640
Landscaping		10,500	10,961	10,500
Tree Surgery		1,500	1,585	1,500
Ditches & Balancing Pond		500	900	500
Repairs & Maintenance		-	2,507	750
Fencing		1,500	2,706	750
Doo Poo Bins		-	860	-
Flats Maintenance				
Communal Cleaning		3,276	3,120	3,182
Window Cleaning		1,444	1,188	1,444
Electrical Maintenance		1,195	575	1,195
Door Entry & Fire Alarm		450	-	450
Repairs & Maintenance		1,100	6,139	1,000
Electricity		765	700	765
Drainage		600	-	600
Insurance				
Buildings Insurance		4,191	4,094	4,053
Public Liability Insurance		825	801	766
Directors' Insurance		584	519	555
Management Fees				
Accounts		5,880	5,895	5,880
Debt Collection Costs		500	-	500
Income tax expense		-	10	-
Printing, Postage & Stationary		50	24	50
Internet Costs		250	196	250
Directors' Expenses		500	522	500
Venue Hire, Entertainment		75	75	50
Consultancy Charges		-	540	-
Total Expenditure		36,325	44,897	35,880

SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD

4,825

(£3,439)

6,525

TRUST ACCOUNT

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd
For the Year to 31st December 2018

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 Bank Balances

Reserve Account	£	58,495
Maintenance Charge Account		322
		<u>58,817</u>

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

Barclays Bank Plc. (Barclays), 698 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	95
Electricity	57
Stinton Window Cleaning	132
Complete Garden Services	225
Dog Litter Bins	860
Accountancy	<u>2,100</u>
	3,469

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 2017 61,371

Less: Maintenance Deficit for the year (3,439)

Less: Monies transferred from Maintenance to Ground Rent (985)

Balance Carried Forward as at 31st December 2018 56,947

Apportioned as:

	<u>Reserve</u>	<u>Maintenance</u>	<u>Reserve</u>
	<u>Fund B/Fwd</u>	<u>Fund</u>	<u>Fund C/Fwd</u>
Estate	32,862	(6,114)	26,748
1-12 Chilcott Court Flats (12)	9,012	1,950	10,962
29-39 Borden Way Flats (6)	8,882	(1,499)	7,383
1-6 Harris Way Flats (6)	8,841	985	9,826
Flats over Garages (5)	1,585	234	1,819
Garages (13)	189	20	209
	<u>61,371</u>	<u>(4,424)</u>	<u>56,947</u>

TRUST ACCOUNT

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd
For the Year to 31st December 2018

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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

TRUST ACCOUNT

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd

For the Year to 31st December 2018

Ground Rent Balancing Statement as at 31st December 2018

	£
<u>ASSETS</u>	
Cash at Bank	17,634
Debtors	125
Tfr to Service Charge Acct	(£14)
ASSETS HELD	<u>17,746</u>
<u>FREEHOLD ACCOUNT</u>	
Brought Forward	12,800
Movement in the Year	4,946
DUE TO FREEHOLDER	<u>17,746</u>