

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

MANAGEMENT ACCOUNTS

For the Year to 31st December 2020

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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 2020 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

Management Accounts for Knights Grove (North Baddesley) Management Co Ltd
Balancing Statement as at 31st December 2020

<u>ASSETS</u>	<u>Notes</u>	<u>£</u>	<u>£</u>
Maintenance Charges Owed by Tenants			1,848
Prepaid Expenses			303
Cash at Bank			59,213
Transfers due from Ground Rent Account			546
 <u>LESS: LIABILITIES</u>			
Maintenance Charges paid in Advance		97	
Costs Relating to this or Previous Period but not yet paid	4	1,331	
			1,428
 <u>NET ASSETS</u>			 <u><u>60,482</u></u>
 <u>TOTAL RESERVE FUND</u>	5		 <u><u>60,482</u></u>

Approved by the Board on and signed on its behalf by

..... K Foreman-Chairman

..... R Lamb FCA- Finance Director

TRUST ACCOUNT

Management Accounts for Knights Grove (North Baddesley) Management Co Ltd
 For the Accounting period from 01st January 2020 to 31st December 2020
 Income & Expenditure Account

	<u>Notes</u>	Budget 2021 £	Actual 2020 £	Budget 2020 £
<u>Income</u>				
Maintenance Charges Receivable	1a	39,872	40,279	41,549
Bank Interest Received Net			58	-
<u>Estate Maintenance</u>				
Grass Cutting		700	397	680
Landscaping		10,000	6,377	10,000
Tree Surgery		1,500	1,129	1,500
Ditches & Balancing Pond		300	467	600
Fencing		1,000	1,054	1,500
Dog Poo Bins		500	480	-
<u>Flats Maintenance</u>				
Communal Cleaning		3,000	2,700	3,432
Window Cleaning		1,200	1,188	1,487
Electrical Maintenance		1,195	782	1,195
Door Entry & Fire Alarm		450	78	450
Repairs & Maintenance		1,090	5,948	1,090
Electricity		765	524	765
Drainage		600	-	600
<u>Insurance</u>				
Buildings Insurance		4,960	4,992	4,535
Public Liability Insurance		835	903	815
Directors' Insurance		547	524	535
<u>Management Fees</u>				
Accounts		7,440	7,440	7,440
Debt Collection Costs		55	-	115
Legal & Professional Fees			607	-
Printing, Postage & Stationary		25	16	25
Administration Costs			-	-
Internet Costs		100	34	150
Bank Charges		-	-	-
Directors' Expenses		450	323	450
Venue Hire, Entertainment		85	-	85
Payment Incentive		-	-	-
Consultancy Charges		-	-	-
Budgeting Fees		-	-	-
<u>Total Expenditure</u>		36,797	35,961	37,449
<u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD</u>		<u>3,075</u>	<u>£4,376</u>	<u>4,100</u>

TRUST ACCOUNT

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd
For the Year to 31st December 2020

1 Accounting Policies

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

1a <u>Maintenance Charges Receivable</u>	£
Gross Maintenance Charges Receivable	41,566
Less : 5% Discounts taken for early settlement	(1,287)
	<u>40,279</u>

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	56,213
Maintenance Charge Account	3,000
	<u>59,213</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 <u>Costs Relating to this or Previous Period but not Yet Paid</u>	£
Electricity	65
Gardening	312
Dog Litter Bins	360
Gutter Cleaning	595
	<u>1,331</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 2019	56,106
Add: Maintenance Surplus for the year	4,376
Less: Monies transferred from Maintenance to Ground Rent	-
Balance Carried Forward as at 31st December 2020	<u>60,482</u>

Apportioned as:	Reserve Fund B/fwd	Maintenance Fund	Reserve Fund C/Fwd
Estate	25,797	3,400	29,197
1-12 Chilcott Court Flats (12)	11,509	(1,148)	10,361
29-39 Borden Way Flats (6)	8,578	1,832	10,410
1-6 Harris Way Flats (6)	8,021	101	8,122
Flats over Garages (5)	1,994	776	2,770
Garages (13)	207	(585)	(378)
	<u>56,106</u>	<u>4,376</u>	<u>60,482</u>

TRUST ACCOUNT

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd
For the Year to 31st December 2020

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 2020
Ground Rent Balancing Statement as at 31st December 2020

<u>ASSETS</u>	<u>£</u>
Cash at Bank	28,102
Debtors	86
Paid in Advance	0
Tfr to Service Charge Acct	(546)
ASSETS HELD	<u><u>27,642</u></u>
FREEHOLD ACCOUNT	
Brought Forward	22,704
Movement in the Year	4,938
DUE TO FREEHOLDER	<u><u>27,642</u></u>