

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

MANAGEMENT ACCOUNTS

For the Year to 31st December 2021

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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 2021 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: 26/04/2022
PO Box 1882
Southampton
SO15 9JZ

Signature: *Maven Accountants Limited*
Maven Accountants Limited

TRUST ACCOUNT

Management Accounts for Knights Grove (North Baddesley) Management Co Ltd
Balancing Statement as at 31st December 2021

<u>ASSETS</u>	<u>Notes</u>	<u>£</u>	<u>£</u>
Maintenance Charges Owed by Tenants			1,749
Prepaid Expenses			203
Cash at Bank			56,393
Transfers due from Ground Rent Account			1,621
LESS: LIABILITIES			
Maintenance Charges paid in Advance		484	
Costs Relating to this or Previous Period but not yet paid	4	938	
			1,422
<u>NET ASSETS</u>			<u>58,543</u>
<u>TOTAL RESERVE FUND</u>	5		<u>58,543</u>

26 / 04 / 2022

Approved by the Board on and signed on its behalf by

Karen Foreman

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K Foreman-Chairman

R Lamb

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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 2022
Income & Expenditure Account

	Notes	Budget 2022 £	Actual 2021 £	Budget 2021 £
Income				
Maintenance Charges Receivable	1a	40,594	38,502	39,872
Bank Interest Received Net			7	
Estate Maintenance				
Grass Cutting		1,200	750	700
Landscaping		10,000	6,449	10,000
Tree Surgery		3,500	3,234	1,500
Ditches & Balancing Pond		300	131	300
Fencing		1,000	304	1,000
Dog Poo Bins		500	489	500
Flats Maintenance				
Communal Cleaning		3,000	3,120	3,000
Window Cleaning		1,200	1,188	1,200
Electrical Maintenance			1,746	1,195
Door Entry & Fire Alarm				450
Repairs & Maintenance		4,300	6,313	1,090
Electricity		1,000	643	765
Drainage		600		600
Insurance				
Buildings Insurance		6,348	5,701	4,960
Public Liability Insurance		1,068	959	835
Directors' Insurance		584	524	547
Management Fees				
Accounts		7,440	7,828	7,440
Debt Collection Costs			170	55
Legal & Professional Fees		3,500	132	
Printing, Postage & Stationary		25	8	25
Administration Costs				
Internet Costs		200	101	100
Bank Charges				-
Directors' Expenses		700	391	450
Income Tax Expense			7	
Venue Hire, Entertainment		85		85
Payment Incentive				-
Consultancy Charges			260	-
Budgeting Fees				-
Total Expenditure		46,550	40,448	36,797
SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD		(£5,956)	(£1,939)	3,075

TRUST ACCOUNT

Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd
For the Year to 31st December 2021

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	39,873
	Less : 5% Discounts taken for early settlement	(1,370)
		<u>38,502</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	56,219
	Maintenance Charge Account	174
		<u>56,393</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	25
	Gardening	383
	Dog Litter Bins	360
	Debt collection	80
	Directors' Expenses	90
		<u>938</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 2020	60,482
	Less: Maintenance Deficit for the year	(1,939)
	Less: Monies transferred from Maintenance to Ground Rent	-
	Balance Carried Forward as at 31st December 2021	<u>58,543</u>

Apportioned as:	Reserve Fund B/fwd	Maintenance Fund	Reserve Fund C/Fwd
Estate	29,197	1,067	30,265
1-12 Chilcott Court Flats (12)	10,361	(4,276)	6,085
29-39 Borden Way Flats (6)	10,410	797	11,207
1-6 Harris Way Flats (6)	8,122	438	8,560
Flats over Garages (5)	2,770	610	3,380
Garages (13)	(378)	(575)	(953)
	<u>60,482</u>	<u>(1,939)</u>	<u>58,543</u>

TRUST ACCOUNT

**Notes to Management Accounts for Knights Grove (North Baddesley) Management Company Ltd
For the Year to 31st December 2021**

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 2021
Ground Rent Balancing Statement as at 31st December 2021

<u>ASSETS</u>	<u>£</u>
Cash at Bank	34,437
Debtors	168
Paid in Advance	(424)
Tfr to Service Charge Acct	(1,621)
ASSETS HELD	<u>32,560</u>
FREEHOLD ACCOUNT	
Brought Forward	27,641
Movement in the Year	4,919
DUE TO FREEHOLDER	<u>32,560</u>