

Monxton Place Residents Association Ltd

Service Charge Statement of Account

for the Year Ended 31 December 2013

Morton Baxter Associates Ltd
63a King Street
Knutsford
Cheshire
WA16 6DX

Monxton Place Residents Association Ltd
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Monxton Place Residents Association Ltd

Letter of Representation from Managing Agent to Accountant

We have determined that an audit of the service charge accounts in accordance with international standards on auditing is not required under the terms of the lease for Monxton Place Residents Association Ltd.

We are responsible for preparing service charge information as set out in the accounts of Monxton Place Residents Association Ltd for the period ended 31 December 2013.

We are responsible for ensuring that the financial management of the service charges is sound and that there is an effective system of internal control which facilitates the proper use of the service charges and which includes arrangements for good management of the building and all communal grounds for which we have responsibility in accordance with the terms of the lease.

No leaseholder has made a request for a written summary of relevant costs in relation to the service charges payable or demanded as payable in the period in accordance with Section 21 of the Landlord and Tenant Act 1985.

We confirm that all relevant costs included as expenditure in the service charge information, including any payments to reserve funds, is a proper charge to the property and is in accordance with the underlying leases. Where necessary we have complied with the provisions of section 20 of the Landlord and Tenant Act 1985 in relation to long-term expenditure and major works as defined by the legislation.

All expenditure included in the service charge information is a proper charge to the property and is in accordance with underlying leases.

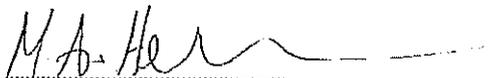
Where necessary, the allocation of relevant expenditure across the various service charge sectors including that relating to the above property is in accordance with the lease.

All the accounting records have been made available to you for the purpose of your engagement and all the transactions relating to service charges have been properly reflected and recorded in the accounting records. Any significant matters of which we consider you ought be aware have been brought to your attention.

The charge to the reserve fund is in accordance with the provisions of the leases and the amounts have been accurately reflected in the reserve fund (where applicable) included as part of the service charge statement of relevant costs.

All service charge monies are held separately in trust in accordance with section 42 of the Landlord and Tenant Act 1987 in designated accounts and the balances reconciled to the fund balances shown in the statement of account.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can make the above representations to you.


.....
HML Andertons - Managing Agents

Date:

20/3/2014

MANAGING AGENTS' DECLARATION

We approve the attached summary of costs.


.....
HML Andertons - Managing Agents

Date:

20/3/2014

**Independent Accountants' Report to the Board of Directors on the Preparation of the
Service Charge Accounts of Monxton Place Residents Association Ltd
for the Year Ended 31 December 2013**

You have stated that an audit of the service charge accounts in accordance with International Standards on Auditing is not required under the terms of the lease for Monxton Place Residents Association Ltd. In accordance with our engagement letter, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 3 to 5 in respect of Monxton Place Residents Association Ltd for the year ended 31 December 2013 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to the landlord for issue with the service charge accounts in accordance with the terms of our engagement. Our work has been undertaken to enable us to make this report to the Landlord and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Landlord for our work for this report.

Basis of Report

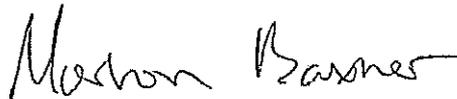
Our work was carried out having regard to Tech 03/11 Residential Service Charge Accounts published jointly by the professional accountancy bodies with ARMA and RICS. In summary, the procedures we carried out with respect to the service charge accounts were:-

1. We obtained the service charge accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of the landlord.
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 service charge monies for Monxton Place Residents Association Ltd shown in the service charge 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 a review of the financial statements in accordance with International Standards on Auditing (UK & 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 we found the figures in the statement 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 service charge monies shown in the service charge accounts agrees or reconciles to the bank statement for the accounts in which the funds are held.



Morton Baxter Associates Ltd
63a King Street
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WA16 6DX

Date: 10/04/2014

Monxton Place Residents Association Ltd
Income & Expenditure Account for the Year Ended 31 December 2013

	Note	Year ended 31 December 2013 £	2013 Budget £	1 July 2012 to 31 December 2012 £
Income				
Service Charge Receivable		7,606	7,606	3,349
Total Income		<u>7,606</u>	<u>7,606</u>	<u>3,349</u>
Maintenance & Repairs				
General maintenance		214	250	-
Emergency lighting		65	200	-
Cleaning		945	910	490
Grounds Maintenance				
Gardening		1,152	1,248	452
Utilities				
Water rates		52	42	58
Electricity		261	400	81
Professional Fees				
Management charges payable		1,890	1,890	950
Meetings & inspections		90	-	-
Admin fees		22	-	-
Secretarial fees		450	450	225
Accountancy fees		390	400	420
Health & safety		416	300	-
Insurance				
Insurance		1,306	1,416	70
General Expenses				
Bank charges		30	-	7
Sundry expenses		12	-	-
Printing, postage and stationery		23	-	15
Contingency fund		-	100	-
Total Expenditure		<u>7,318</u>	<u>7,606</u>	<u>2,768</u>
Surplus for the year		<u>288</u>	<u>-</u>	<u>581</u>
Transfer (to)/from reserves		<u>(288)</u>	<u>-</u>	<u>(581)</u>
Surplus at end of accounting period		<u>-</u>	<u>-</u>	<u>-</u>

Monxton Place Residents Association Ltd
Reserve Fund for the Year Ended 31 December 2013

	2013 £
Balance brought forward	631
Income	
Reserve raised	301
Transfer (to)/from income and expenditure account	288
Expenditure	
Bank charges incurred	<u>(6)</u>
General reserve fund balance carried forward	<u><u>1,214</u></u>

Monxton Place Residents Association Ltd
Balance Sheet at 31 December 2013

	Note	31 December 2013 £	31 December 2012 £
Assets			
Service Charges owed by tenants		859	474
Tenant recharge arrears		96	-
Prepayments	2	1,304	905
Cash at bank and in hand		1,788	445
		4,047	1,824
Creditors			
Service charges in advance		1,343	-
Accruals	3	852	1,019
Trade creditors		638	174
		2,833	1,193
Net assets		1,214	631
Represented by:			
Reserve fund		1,214	631

Monxton Place Residents Association Ltd
Notes to the Financial Statements for the Year Ended 31 December 2013

1 Accounting policies

The statement of account has been prepared in accordance with the provisions of the lease and on the accruals and prepayments basis, under the historical cost convention and (except where it is disclosed otherwise) according to generally accounting practice in the United Kingdom.

2 Prepayments

	31 December 2013 £	31 December 2012 £
Insurance	1,192	905
Secretarial fees	112	-
	<u>1,304</u>	<u>905</u>

3 Accruals

	31 December 2013 £	31 December 2012 £
Accountancy fee	390	420
Gardening	-	348
Health & safety	417	-
Water	19	-
Secretarial fees	-	225
Electricity	21	20
Postage	5	6
	<u>852</u>	<u>1,019</u>