

Monxton Place Residents Association Limited

Service Charge Statement of Account

for the Year Ended 31 December 2015

Morton Baxter Associates Limited
63A King Street
Knutsford
Cheshire
WA16 6DX

Monxton Place Residents Association Limited

Contents

Managing Agents Letter of Representation	1
Accountants' Report	2
Income & Expenditure Account	3
Reserve Fund	4
Balance Sheet	5
Notes to the Financial Statements	6 to 7

Monxton Place Residents Association Limited
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 Limited.

We are responsible for preparing service charge information as set out in the accounts of Monxton Place Residents Association Limited for the period ended 31 December 2015.

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:

MANAGING AGENTS' DECLARATION

We approve the attached summary of costs.

.....
HML Andertons - Managing Agents

Date:

**Independent Accountants' Report to the Board of Directors on the Preparation of the
Service Charge Accounts of Monxton Place Residents Association Limited
for the Year Ended 31 December 2015**

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 Limited. 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 Limited for the year ended 31 December 2015 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 Limited 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 Limited
63A King Street
Knutsford
Cheshire
WA16 6DX

Date:

Monxton Place Residents Association Limited
Income & Expenditure Account for the Year Ended 31 December 2015

Note	2015 £	2015 Budget £	2014 £
Income			
Service charge receivable	7,765	7,765	7,010
Total Income	<u>7,765</u>	<u>7,765</u>	<u>7,010</u>
Maintenance & Repairs			
General maintenance	470	500	459
Emergency lighting repairs	147	300	273
Cleaning	822	700	738
Grounds Maintenance			
Gardening	540	600	792
Utilities			
Water rates	157	60	81
Electricity	298	400	291
Professional Fees			
Fixed management fees	2,160	2,160	2,000
Other management fees	36	25	36
Accountancy fees	390	425	390
Legal and professional fees	-	600	-
Other professional fees	468	500	474
Insurance			
Insurance - buildings	1,143	1,200	1,165
Insurance - other	228	230	242
General Expenses			
Bank charges	39	35	31
Printing, postage and stationery	77	30	33
Total Expenditure	<u>6,975</u>	<u>7,765</u>	<u>7,005</u>
Surplus for the year	790	-	5
Surplus to be credited to lessees	<u>(790)</u>	<u>-</u>	<u>(5)</u>
Transfer (to)/from reserves	<u>-</u>	<u>-</u>	<u>-</u>
Surplus at end of accounting period	<u>-</u>	<u>-</u>	<u>-</u>

Monxton Place Residents Association Limited
Reserve Fund for the Year Ended 31 December 2015

<u>General reserve fund</u>	2015 £
Balance brought forward	1,815
Income	
Reserve raised	1,000
Expenditure	
Expenditure incurred	(1,100)
Bank charges incurred	<u>(15)</u>
General reserve fund balance carried forward	<u><u>1,700</u></u>

Monxton Place Residents Association Limited

Balance Sheet at 31 December 2015

	Note	2015 £	2014 £
Assets			
Service charges owed by tenants		-	96
Prepayments	2	1,311	1,265
Other debtors		96	-
Cash at bank and in hand		3,982	2,817
		<u>5,389</u>	<u>4,178</u>
Creditors			
Service charges in advance		2,057	1,458
Accruals	3	628	477
Trade creditors		214	423
Surplus to be credited to lessees		790	5
		<u>3,689</u>	<u>2,363</u>
Net assets		<u>1,700</u>	<u>1,815</u>
Represented by:			
General reserve fund		<u>1,700</u>	<u>1,815</u>

Monxton Place Residents Association Limited
Notes to the Financial Statements for the Year Ended 31 December 2015

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

	2015 £	2014 £
Insurance - buildings	957	925
Insurance - other	235	228
Other professional fees	119	112
	<u>1,311</u>	<u>1,265</u>

3 Accruals

	2015 £	2014 £
Accountancy fee	390	390
Electricity	76	50
Gardening	50	-
Cleaning	70	-
Water	29	20
Postage	13	15
Bank charges	-	2
	<u>628</u>	<u>477</u>

4 Interest receivable

Interest received in the year was less than £1 and therefore due to rounding will not show on the income and expenditure or reserve statements.

5 Related company transactions

In addition to the management fees shown in the income and expenditure account the following HML companies have provided services that have been charged for separately:

Alexander Bonhill Ltd
HML Company Secretarial Services
Shaw & Company

6 Disclosure of client bank accounts & movements

Service charge funds are held in the name of Monxton Place SC/RF and held at:

Barclays Bank plc
Level 28
1 Churchill Place
London
E14 5HP

Monxton Place Residents Association Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

Bank account movements

	2015 £
Balance brought forward	2,817
Monies received into bank in financial year	12,785
Monies expended from bank in financial year	<u>(11,620)</u>
Balance carried forward	<u><u>3,982</u></u>