

Adagio Management Company

Service charge accounts

31 December 2018

**Adagio Management Company**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Management Company information	1
Management Company Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Income and Expenditure account	5
Service Charge Balance Sheet	6
Notes to the service charge accounts	7
Detailed Schedule to the Income and Expenditure Account	9

**Adagio Management Company  
Company Information**

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**Directors**

D L Canty  
J R Hussey  
G D Wells

**Managing Agents**

itsyourplace Ltd  
Victoria House  
178-180 Fleet Road  
Fleet  
Hampshire  
GU51 4DA

**Auditors**

TTCA Ltd  
269 Farnborough Road  
Farnborough  
Hampshire  
GU14 7LY

**Registered office**

Victoria House  
178-180 Fleet Road  
Fleet  
Hampshire  
GU51 4DA

**Registered number**

05313721

**Adagio Management Company**  
**Service charge accounts**  
**Directors' Report**

The directors present their report and accounts for the year ended 31 December 2018.

**Principal activities**

The company's principal activity during the year continued to be that of the administration of a Residents Association.

**Directors**

The following persons served as directors during the year:

D L Canty  
J R Hussey  
G D Wells

**Financial Reporting**

Adagio Management Company Ltd is duly registered at Companies House as a private company limited by guarantee, company number 05313721. The company is considered to be dormant and non trading and as more fully explained in note 1 to the accounts, acts as a trustee to deal with the service charges due from 1 - 140 Elmhurst Court.

**Disclosure of costs as required by the Law and Property Act**

A) Costs in respect of which no demand for payment was received during the year	2,910
B) Costs in respect of which a demand for payment was received but no payment made prior to the end of the year	10,941
C) Costs in respect of which a demand for payment was received and payment was made prior to the end of the year	138,114
	<u>151,965</u>

**Managing Agents**

During the year the Directors appointed professional managing agents to deal with the day to day administration.

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 25 March 2019 and signed by its order.

  
D Canty  
Director

## **Adagio Management Company Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Adagio Management Company**  
**Independent auditors' report**  
**to the Directors of Adagio Management Company**

We have audited the accounts of Adagio Management Company for the year ended 31 December 2018 which comprise the statement of service charge income and expenditure account, balance sheet as at 31 December 2018 and related notes. The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts.

**Managing agent's responsibility for the accounts**

The managing agent is responsible for the preparation of these accounts in accordance with the terms of the lease and for such internal control as the managing agent determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require that we comply with ethical requirements and plan the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on the accounts**

In our opinion the service charge accounts of Adagio Management Company for the year ended 31 December 2018 are prepared, in all material respects, in accordance with the accounting policies set out in Note 1 to the accounts.

Without modifying our opinion, we draw attention to Note 1 to the accounts which describe the basis of accounting. These service charge accounts are prepared in accordance with the special purpose framework related to residents association and that as a result they may not be suitable for another purpose. Our report has been prepared pursuant to the terms of our engagement letter and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of our engagement letter or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.



Thomas McManners BSc ACA ACMI  
(Senior Statutory Auditor)  
for and on behalf of  
TTCA Ltd  
Chartered Accountants and Statutory Auditors  
25 March 2019

269 Farnborough Road  
Farnborough  
Hampshire  
GU14 7LY


**Adagio Management Company  
Income and Expenditure account  
for the year ended 31 December 2018**

	<b>Notes</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Income</b>	1	220,618	204,167
Administrative expenses		(151,965)	(137,783)
<b>Surplus of income over expenses</b>		<u>68,653</u>	<u>66,384</u>
Interest receivable		505	39
<b>Net position before transfer to retained surplus</b>		<u>69,158</u>	<u>66,423</u>

**Adagio Management Company**  
**Balance Sheet**  
**as at 31 December 2018**

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Current assets</b>					
Debtors	2	6,496		3,465	
Cash at bank and in hand		179,629		171,631	
		<u>186,125</u>		<u>175,096</u>	
<b>Creditors: amounts falling due within one year</b>					
	3	(21,989)		(12,421)	
<b>Net current assets</b>			<u>164,136</u>		<u>162,675</u>
<b>Net assets</b>			<u>164,136</u>		<u>162,675</u>
<b>Reserves</b>					
Service charge reserves	4		<u>164,136</u>		<u>162,675</u>
			<u>164,136</u>		<u>162,675</u>

This statement of account was approved by the board and signed on its behalf by:

D Canty   
 Director  
 Approved by the board on 25 March 2019



**Adagio Management Company**  
**Notes to the Accounts**  
**for the year ended 31 December 2018**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared in accordance with the provisions of the lease and have been prepared on the accruals basis.

***Income***

Income represents the value, of service charges due from residents during the period. Where residents pay in advance these advance charges are shown under creditors. Where residents are late paying the service charges these are shown as debtors.

***Financial Reporting***

The company holds the service charges on trust on behalf of the residents. It appoints a professional management company to deal with the day to day management of the company. Consequently, the company does not report the service charge income as part of its own income and expenditure, but accounts for it separately. The management company holds the cash resources in a separately designated client account. The company submits its own dormant accounts showing no activity.

***Contingency Reserve***

The Directors make provision each year for the general dilapidations of the common parts by transfer to the contingency reserve. In due course the dilapidations will require remedial works and this prudent approach is made to ensure sufficient funds are available to meet the liability as it arises. Where unbudgeted expenditure is incurred as a result of major works it is taken directly to the reserves as determined by the directors and managing agents.

<b>2 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Service charge in arrears	1,784	196
Prepayments	4,712	3,269
	<u>6,496</u>	<u>3,465</u>
<b>3 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Service charges paid in advance	8,138	6,807
Trade creditors	10,941	2,293
Accruals	2,910	3,321
	<u>21,989</u>	<u>12,421</u>

**Adagio Management Company**  
**Notes to the Accounts**  
**for the year ended 31 December 2018**

<b>4 Contingency reserve</b>	<b>2018</b>
	<b>£</b>
At 1 January 2018	162,675
Contribution to reserves	60,000
Reserve fund expenditure - Building Repairs	(49,560)
Reserve fund expenditure - Air Operated Valve	(18,137)
Variance on expenses in year	7,662
Additional service charges	991
Bank interest received	505
At 31 December 2018	<u>164,136</u>

**5 Related Party Transactions**

There were no related party transactions during the year.

**Adagio Management Company**  
**Detailed income and expenditure account**  
**for the year ended 31 December 2018**

	Actual 2018 £	Budget 2018 £	Actual 2017 £
<b>Income</b>			
Service charge income	220,618	-	204,167
	<u>220,618</u>	<u>-</u>	<u>204,167</u>
Building Insurance	12,728	13,190	13,140
Director & Office Insurance	347	400	367
Engineering Insurance (Lift)	1,002	1,357	1,293
Engineering Insurance (Pump)	309	-	-
Annual Return	13	13	13
Audit & Accountancy	1,440	1,380	1,440
Surveyor / Professional Fees	1,750	3,000	1,640
Managing Agent Fees	33,600	33,600	33,600
General Repairs & Maintenance	2,634	12,000	2,134
Electrical Repairs	20,036	10,000	4,959
Lift Maintenance - Contract	6,142	7,000	6,572
Lift Maintenance - Repairs & Misc	1,111	-	-
Pump Maintenance - Contract	1,070	-	89
TV Aerial / Satellite Repairs	160	500	635
Door Entry / Access Repairs	638	500	439
Monthly Fire / Electrical & Light Testing	1,920	2,016	-
Health and Safety	-	-	1,585
Pest Control	200	-	-
Communal Cleaning	14,300	14,300	14,675
Windows Cleaning	3,840	3,840	3,720
Bin Cleaning	931	1,411	958
Gutter cleaning	-	4,000	-
Refuse Collection	365	500	524
Gardens & Grounds Maintenance - Contract	19,200	19,200	19,200
Gardens & Grounds Maintenance - Repairs / Miscellaneous	3,121	5,000	957
Electricity	17,144	19,000	22,000
Telephone ( Lift & Door Entry)	6,984	6,000	7,021
Postage and Delivery	387	500	412
Website	420	420	350
Miscellaneous Expenses	173	500	60
	<u>151,965</u>	<u>159,627</u>	<u>137,783</u>
<b>Total expenditure</b>			
Transfer to reserves	60,000	60,000	40,000
	<u>211,965</u>	<u>219,627</u>	<u>177,783</u>