

St Stephens Pavilion

Service Charge Accounts

from 1st January 2013 to 31st December 2013

St Stephens Pavilion

Expenditure for the Period

from 1st January 2013 to 31st December 2013

Accountant's report of factual findings to the Managing Agent of St Stephens Pavilion

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 St Stephens Pavilion. In accordance with the terms of 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 two to five in respect of St Stephens Pavilion for the year ended 31st 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 Managing Agent 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 Managing Agent and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Managing Agent 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 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 this property shown on the balancing statement of the service charge accounts agreed or reconciled to the bank statement(s) for the account(s) in which the funds are held.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, we do not express any assurance on the service charge 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 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.

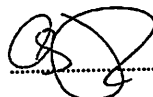
(c) With respect to item 3 we found that the balance of service charge monies shown on the balancing statement of the service charge accounts agrees or reconciles to the bank statement for the account(s) in which the funds are held.

Date: **14 APR 2014**
6-7 Castle Gate
Castle Street
Hertford
Hertfordshire
SG14 1HD

Signature: 
Thomas David
Chartered Accountants and
Statutory Auditors

Service Charge Statement of Account for St Stephens PavilionFor the Accounting Period from 1st January 2013 to 31st December 2013Income and Expenditure Account

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Cleaning Contract		32,539	32,000
Window Cleaning		17,851	17,800
Caretaking/Security Services		38,511	33,823
CCTV & Security		1,137	200
Carpet Cleaning		1,170	-
Cradle Maintenance		-	1,600
Door Entry System		-	1,151
Drainage, Guttering & Sewerage		9,801	700
Lift Maintenance		11,296	8,000
Gate & Barrier Maintenance		214	1,000
Refuse Collection		1,276	1,123
Fire Equipment Maintenance		16,626	5,000
Aerial Maintenance		352	500
Water Pump Maintenance		4,932	2,000
Water Treatment		1,211	1,460
Electrical Maintenance & Repairs		12,548	7,800
Lighting Conductor		666	338
General Repairs & Maintenance		7,015	3,000
Pest Control		14,448	1,500
Car Park, Road and Footpath Maintenance		1,400	1,740
Lift Telephone		1,063	1,100
Ten Year Maintenance Reports		-	750
Dry Riser Test		1,347	-
Man Safe Equipment		1,449	-
<u>Grounds Maintenance</u>			
Grounds Maintenance		4,025	3,480
<u>Insurance</u>			
Public Liability Insurance		-	1,979
Buildings Insurance		34,969	33,021
Engineering & Lift Insurance		1,938	1,956
Insurance Valuation		500	500
<u>Professional Fees</u>			
Management Fees		39,216	39,216
Company Secretarial Fees		803	803
Accountancy Fees		2,756	2,756
Health & Safety		2,043	2,516
Legal & Professional Fees		(496)	700
Printing, Postage & Stationery		2,285	2,526
Sundry Expenses		370	-
Estate Contribution		(5,200)	(5,200)
Venue Hire		32	-
<u>Utilities</u>			
Electricity		31,764	50,000
Water		(13,223)	48,330
<u>Contributions Transferred to Reserve Fund</u>			
Reserve Fund Contribution		40,528	40,624
TOTAL EXPENDITURE		319,162	345,780
<u>Income</u>			
Service Charges Receivable		301,948	
Reserve Charges Receivable		40,528	
		342,476	
<u>Interest Received</u>			
Bank Interest Received Net		99	
SURPLUS/DEFICIT AT END OF ACCOUNTING PERIOD		23,413	


Approved by the Board on 10.4.14 and signed on its behalf by


.....Director

Service Charge Statement of Account for St Stephens PavllionBalancing Statement as at 31st December 2013

	Notes	
	£	£
<u>ASSETS</u>		
Service Charges Owed by Tenants		12,047
Sundry Debtors		24,735
Sums Paid in this Period but Relating to Subsequent Periods	4	39,844
Balances Held: Cash at Bank and in Hand	5	227,683
		<hr/>
		304,309
<u>LESS: LIABILITIES</u>		
Service Charges Paid in Advance		134,943
Costs Relating to this or Previous Period but not Yet Paid	6	39,781
Sundry Creditors		29,273
Surplus for the Period to be Credited		23,413
		<hr/>
		227,410
<u>NET ASSETS / (LIABILITIES)</u>		<hr/> <u>76,899</u>
<u>RESERVE FUND</u>	3	52,377
<u>INCOME & EXPENDITURE RESERVE</u>	7	24,522
		<hr/> <u>76,899</u>

Approved by the Board on 10.4.14 and signed on its behalf by

.....
 Director

Notes to Service Charge Statement of Account for St Stephens Pavilion

For the Accounting Period from 1st January 2013 to 31st December 2013

1 Accounting policies

The accounts are prepared in accordance with the lease and on the accruals basis.

2 Tax provided on bank interest received

Service charge monies are held on trust in accordance with section 42, Landlord and Tenant Act 1987. Interest earned on service charge monies held on deposit is taxable at the basic rate of income tax. The rate of tax applied to interest received during the period was 20% which was deducted at source.

3 Reserve Fund(s)

The reserve fund has been established in accordance with the lease to provide funds to meet the costs of future anticipated expenditure
A breakdown per schedule can be found in Appendix A

	£	£
Balance Brought Forward from 31st December 2012	116,085	
Reserve Fund Bank Account Interest Received Net	101	
Reserve Contributions	40,528	
		<u>156,714</u>
Less Expenditure		(104,337)
		<u>52,377</u>
Reserve Fund Bank Account Total		119,188
Net Liabilities due from Reserve Funds		(66,811)
Balance Carried Forward as at 31st December 2013		<u>52,377</u>

4 Sums Paid in this Period but Relating to Subsequent Periods

	£
Drainage, Guttering & Sewerage	94
Lift Maintenance	567
Gate & Barrier Maintenance	103
Refuse Collection	17
Fire Equipment Maintenance	890
Water Pump Maintenance	282
Water Treatment	352
Pest Control	91
Man Safe Equipment	900
Buildings Insurance	34,686
Engineering & Lift Insurance	1,862
	<u>39,844</u>

Notes to Service Charge Statement of Account for St Stephens Pavilion
For the Accounting Period from 1st January 2013 to 31st December 2013

5	<u>Balances Held: Cash at Bank and in Hand</u>	£
	Cash at Bank and in Hand - Reserves	119,188
	Cash at Bank and in Hand - Service Charges	108,495
		<u>227,683</u>

All bank accounts are held in trust in accordance with S.42 (Landlord & Tenant Act 1987) at:

Halifax Bank of Scotland (HBOS), New Uberior House, 11 Earl Grey Street, EH3 9BN

Under the title:

Account Name:	St Stephens Pavilion Client A/C
Account Number(s):	06882336 10125168 06882344 10125369 10124868 10124964 06882328 10125262 10124761

6	<u>Costs Relating to this or Previous Period but not Yet Paid</u>	£
	Cleaning Contract	2,667
	Caretaking/Security Services	552
	Insurance Claims	(290)
	Carpet Cleaning	288
	Drainage, Guttering & Sewerage	1,250
	Refuse Collection	77
	Fire Equipment Maintenance	3,247
	Electrical Maintenance & Repairs	(176)
	Grounds Maintenance	(522)
	Insurance Valuation	2,776
	Accountancy Fees	2,756
	Electricity	1,395
	Water	25,761
		<u>39,781</u>

7	<u>Income & Expenditure Reserve</u>	£
	Balance Brought Forward from 31st December 2012	24,322
	Adjustment Relating to Prior Years - W/O Historical Creditors	200
	Income & Expenditure Reserve Balance as at 31st December 2013	<u>24,522</u>

Appendix to Service Charge Statement of Account for St Stephens Pavilion**For the Accounting Period from 1st January 2013 to 31st December 2013****Reserve Fund**

	£	£
Balance Brought Forward from 31st December 2012		116,085
Reserve Fund Bank Account Interest Received Net		101
Reserve Contributions		40,528
Less Expenditure		
Installation of Bird Control Avistrand		(26,110)
Electrical Works and Repair		(54,611)
Repair and Maintenance of Roof		(4,808)
Installation of Alarm Equipment		(6,291)
Installation of Bike Rack		(3,180)
Installation of retrofit in car park		(9,237)
		<u>52,377</u>

Appendix to Service Charge Statement of Account for St Stephens PavilionFor the Accounting Period from 1st January 2013 to 31st December 2013

£

£

Income & Expenditure Reserve

Balance Brought Forward from 31st December 2012

24,322

Adjustment Relating to Prior Years - W/O Historical Creditors

200

24,522