

**St Stephens Pavilion**

**Service Charge Accounts**

**from 1st January 2015 to 31st December 2015**

St Stephens PavillonExpenditure for the Periodfrom 1st January 2015 to 31st December 2015**Accountant's report of factual findings to the Managing Agent of St Stephens Pavillon**

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 Pavillon.

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 six in respect of St Stephens Pavillon for the year ended 31st 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 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.

**27 JUN 2016**

Date: .....  
 6-7 Castle Gate  
 Castle Street  
 Hertford  
 Hertfordshire  
 SG14 1HD

Signature: Thomas David  
 Thomas David  
 Chartered Accountants and  
 Statutory Auditors

Service Charge Statement of Account for St Stephens PavilionFor the Accounting Period from 1st January 2016 to 31st December 2016Income and Expenditure Account Total

<u>Repairs &amp; Maintenance</u>	£	Actual £	Budget £
Cleaning Contract		40,481	39,769
Window Cleaning		19,240	19,240
Caretaking/Security Services		304	-
Carpet Cleaning		1,433	2,400
Door Entry System		3,639	1,652
Drainage, Guttering & Sowerage		8,092	8,440
Lift Maintenance		8,404	11,500
Gate & Barrier Maintenance		4,896	2,000
Refuse Collection		816	73
Fire Equipment Maintenance		7,467	7,999
Aerial Maintenance		361	750
Water Pump Maintenance		6,102	5,399
Water Treatment		1,920	1,960
Electrical Maintenance & Repairs		12,728	7,078
Lightning Conductor		420	671
General Repairs & Maintenance		5,948	7,700
Pest Control		5,314	12,888
Lift Telephone		1,902	1,150
Dry Riser Test		3,121	1,428
Emergency Lighting		1,320	1,030
Man Safe Equipment		1,451	961
Parking Control		-	1,432
 <u>Grounds Maintenance</u>			
Grounds Maintenance		6,609	3,917
 <u>Insurance</u>			
Public Liability Insurance		377	2,375
Buildings Insurance		39,487	46,778
Engineering & Lift Insurance		2,153	2,259
 <u>Professional Fees</u>			
Management Fees		43,060	49,061
Company Secretarial Fees		828	803
Accountancy Fees		2,769	2,769
Health & Safety		2,862	2,444
Legal & Professional Fees		380	700
Printing, Postage & Stationery		3,539	2,960
Venue Hire		32	-
 <u>Utilities</u>			
Electricity		38,790	37,001
Gas		402	2,000
Water		10,055	53,808
 <u>Contributions Transferred to Reserve Fund</u>			
Reserve Fund Contribution		63,224	53,225
 <b>TOTAL EXPENDITURE</b>		<b>338,004</b>	<b>388,600</b>
 <u>Income</u>			
Service Charges Receivable	335,372		
Reserve Charges Receivable	63,224		
	398,596		
 <u>Interest Received</u>			
Bank Interest Received Net		176	
 <b>SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD</b>		<b>50,767</b>	

Approved by the Board on 22/6/16 and signed on its behalf by

  
.....Director

**Service Charge Statement of Account for St Stephens Pavilion****For the Accounting Period from 1st January 2015 to 31st December 2015****Income & Expenditure - Service Charge - Estate**

		Actual	Budget
	£	£	£
<b><u>Repairs &amp; Maintenance</u></b>			
	Drainage, Guttering & Sewerage	-	217
	Fire Equipment Maintenance	1,110	-
	Electrical Maintenance & Repairs	57	221
	General Repairs & Maintenance	126	700
<b><u>Grounds Maintenance</u></b>			
	Grounds Maintenance	6,609	3,917
<b><u>Insurance</u></b>			
	Public Liability Insurance	377	2,375
<b><u>Professional Fees</u></b>			
	Management Fees	19,565	19,565
	Company Secretarial Fees	828	803
	Accountancy Fees	2,759	2,759
	Health & Safety	282	233
	Legal & Professional Fees	-	700
	Printing, Postage & Stationery	2,839	2,950
	Venue Hire	32	-
<b><u>Utilities</u></b>			
	Electricity	1,387	330
<b><u>Contributions Transferred to Reserve Fund</u></b>			
	Reserve Fund Contribution	8,391	8,391
<b><u>TOTAL EXPENDITURE</u></b>		<b><u>42,362</u></b>	<b><u>41,161</u></b>
<b><u>Income</u></b>			
	Service Charges Receivable	34,789	
	Reserve Charges Receivable	6,391	
		<u>41,180</u>	
<b><u>Interest Received</u></b>			
	Bank Interest Received	53	
	Net Interest	<u>53</u>	
<b><u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u></b>		<b><u>(1,149)</u></b>	

**Service Charge Statement of Account for St Stephens Pavilion****For the Accounting Period from 1st January 2015 to 31st December 2015****Income & Expenditure - Service Charge - Pavilion Building**

<u>Repairs &amp; Maintenance</u>	£	Actual £	Budget £
Cleaning Contract		32,791	32,199
Window Cleaning		15,084	14,853
Carpet Cleaning		1,305	2,045
Door Entry System		1,805	727
Drainage, Guttering & Sewerage		6,266	6,583
Lift Maintenance		8,324	11,000
Refuse Collection		768	-
Fire Equipment Maintenance		5,006	6,346
Aerial Maintenance		156	333
Water Pump Maintenance		5,634	4,909
Water Treatment		1,283	1,310
Electrical Maintenance & Repairs		1,247	4,534
Lightning Conductor		191	306
General Repairs & Maintenance		4,783	4,400
Pest Control		5,037	11,713
Lift Telephone		1,902	1,150
Dry Riser Test		2,476	1,132
Emergency Lighting		1,125	878
Man Safe Equipment		1,087	697
<u>Insurance</u>			
Buildings Insurance		27,689	31,645
Engineering & Lift Insurance		2,153	2,259
<u>Professional Fees</u>			
Management Fees		20,439	20,439
Health & Safety		1,957	1,816
Legal & Professional Fees		390	-
<u>Utilities</u>			
Electricity		19,713	26,189
Water		7,337	46,000
<u>Contributions Transferred to Reserve Fund</u>			
Reserve Fund Contribution		33,366	33,366
<b>TOTAL EXPENDITURE</b>		<u>209,164</u>	<u>264,508</u>
<u>Income</u>			
Service Charges Receivable	231,141		
Reserve Charges Receivable	33,366		
		<u>264,507</u>	
<u>Interest Received</u>			
Bank Interest Received	79		
		<u>79</u>	
<b>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</b>		<u>55,422</u>	

**Service Charge Statement of Account for St Stephens Pavilion****For the Accounting Period from 1st January 2015 to 31st December 2015****Income & Expenditure - Service Charge - Admin Building**

	£	Actual £	Budget £
<b>Repairs &amp; Maintenance</b>			
Cleaning Contract		2,173	2,134
Window Cleaning		3,798	3,364
Carpet Cleaning		49	138
Door Entry System		698	225
Drainage, Guttering & Sewerage		(311)	1,157
Refuse Collection		57	73
Fire Equipment Maintenance		749	610
Aerial Maintenance		78	167
Water Pump Maintenance		105	91
Water Treatment		147	150
Electrical Maintenance & Repairs		598	921
Lightning Conductor		19	30
General Repairs & Maintenance		867	600
Pest Control		(864)	559
Dry Riser Test		238	109
Emergency Lighting		75	58
Man Safe Equipment		44	44
<b>Insurance</b>			
Buildings Insurance		5,494	6,284
<b>Professional Fees</b>			
Management Fees		995	995
Health & Safety		480	396
<b>Utilities</b>			
Electricity		4,839	1,175
Water		2,718	3,330
<b>Contributions Transferred to Reserve Fund</b>			
Reserve Fund Contribution		5,540	5,540
<b>TOTAL EXPENDITURE</b>		<u>28,554</u>	<u>28,148</u>
<b>Income</b>			
Service Charges Receivable	22,608		
Reserve Charges Receivable	5,540		
		<u>28,148</u>	
<b>Interest Received</b>			
Bank Interest Received	7		
Net Interest		<u>7</u>	
<b>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</b>		<u>(399)</u>	

**Service Charge Statement of Account for St Stephens Pavillon****For the Accounting Period from 1st January 2016 to 31st December 2016****Income & Expenditure - Service Charge - Parking**

	£	Actual £	Budget £
<b><u>Repairs &amp; Maintenance</u></b>			
Cleaning Contract		2,304	2,284
Caretaking/Security Services		304	-
Door Entry System		325	200
Drainage, Guttering & Sewerage		-	483
Gate & Barrier Maintenance		4,895	2,000
Electrical Maintenance & Repairs		163	402
Parking Control		-	1,432
<b><u>Insurance</u></b>			
Buildings Insurance		1,483	1,696
<b><u>Professional Fees</u></b>			
Printing, Postage & Stationery		700	-
<b><u>Utilities</u></b>			
Electricity		-	4,727
<b><u>Contributions Transferred to Reserve Fund</u></b>			
Reserve Fund Contribution		1,264	1,264
<b><u>TOTAL EXPENDITURE</u></b>		<u>11,438</u>	<u>14,488</u>
<b><u>Income</u></b>			
Service Charges Receivable	13,223		
Reserve Charges Receivable	1,264		
		<u>14,487</u>	
<b><u>Interest Received</u></b>			
Bank Interest Received	9		
		<u>9</u>	
Net Interest			
<b><u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u></b>		<u>3,058</u>	

**Service Charge Statement of Account for St Stephens Pavilion****For the Accounting Period from 1st January 2016 to 31st December 2016****Income & Expenditure - Service Charge - Ivory Building (All Flats)**

	£	Actual £	Budget £
<b><u>Repairs &amp; Maintenance</u></b>			
Window Cleaning		360	-
Drainage, Guttering & Sewerage		17	-
Fire Equipment Maintenance		72	126
Water Pump Maintenance		57	48
Water Treatment		59	61
Lightning Conductor		25	40
Dry Riser Test		49	23
Man Safe Equipment		39	39
<b><u>Insurance</u></b>			
Buildings Insurance		83	746
<b><u>Professional Fees</u></b>			
Management Fees		2,062	2,062
<b><u>Utilities</u></b>			
Water		-	664
<b><u>Contributions Transferred to Reserve Fund</u></b>			
Reserve Fund Contribution		863	863
<b><u>TOTAL EXPENDITURE</u></b>		<u>3,686</u>	<u>4,672</u>
<b><u>Income</u></b>			
Service Charges Receivable	3,809		
Reserve Charges Receivable	863		
		<u>4,672</u>	
<b><u>Interest Received</u></b>			
Bank Interest Received	9		
		<u>9</u>	
<b><u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u></b>		<u>995</u>	



**Service Charge Statement of Account for St Stephens Pavillion****For the Accounting Period from 1st January 2016 to 31st December 2016****Income & Expenditure - Service Charge - Ivory Building (Comm. Entrance)**

	£	Actual £	Budget £
<b><u>Repairs &amp; Maintenance</u></b>			
Cleaning Contract		3,213	3,152
Window Cleaning		-	1,023
Carpet Cleaning		24	-
Door Entry System		811	500
Drainage, Guttering & Sewerage		120	-
Lift Maintenance		80	500
Fire Equipment Maintenance		520	917
Aerial Maintenance		117	250
Water Pump Maintenance		407	351
Water Treatment		430	439
Electrical Maintenance & Repairs		10,663	1,000
Lightning Conductor		184	295
General Repairs & Maintenance		393	2,000
Pest Control		971	616
Dry Riser Test		358	164
Emergency Lighting		120	94
Man Safe Equipment		281	281
<b><u>Insurance</u></b>			
Buildings Insurance		4,758	5,407
<b><u>Professional Fees</u></b>			
Health & Safety		242	200
<b><u>Utilities</u></b>			
Electricity		12,851	5,600
Water		-	4,814
<b><u>Contributions Transferred to Reserve Fund</u></b>			
Reserve Fund Contribution		5,800	5,800
<b><u>TOTAL EXPENDITURE</u></b>		<b><u>42,343</u></b>	<b><u>33,403</u></b>
<b><u>Income</u></b>			
Service Charges Receivable	27,603		
Reserve Charges Receivable	5,800		
		<u>33,403</u>	
<b><u>Interest Received</u></b>			
Bank Interest Received	15		
		<u>15</u>	
<b><u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u></b>		<b><u>(8,925)</u></b>	

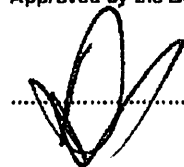
**Service Charge Statement of Account for St Stephens Pavillion****For the Accounting Period from 1st January 2015 to 31st December 2015****Income & Expenditure - Service Charge - Ivory Building (Gas Boiler)**

		£	Actual £	Budget £
<b><u>Repairs &amp; Maintenance</u></b>				
	Carpet Cleaning		55	219
<b><u>Utilities</u></b>				
	Gas		402	2,000
<b><u>TOTAL EXPENDITURE</u></b>			<u>457</u>	<u>2,219</u>
<b><u>Income</u></b>				
	Service Charges Receivable	2,219		
			<u>2,219</u>	
<b><u>Interest Received</u></b>				
	Bank Interest Received	3		
	Net Interest		<u>3</u>	
<b><u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u></b>			<u>1,765</u>	

Service Charge Statement of Account for St Stephens PavilionBalancing Statement as at 31st December 2015

	Notes	£	£
<u>ASSETS</u>			
Service Charges Owed by Tenants			6,502
Sundry Debtors			5,557
Sums Paid in this Period but Relating to Subsequent Periods	4		12,830
Balances Held: Cash at Bank and in Hand	5		295,363
			<u>320,252</u>
<u>LESS: LIABILITIES</u>			
Service Charges Paid In Advance		12,466	
Costs Relating to this or Previous Period but not Yet Paid	6	105,221	
Sundry Creditors		2,384	
Surplus for the Period to be Credited		50,767	
			<u>170,818</u>
<u>NET ASSETS / (LIABILITIES)</u>			<u>149,434</u>
<u>RESERVE FUND</u>	3		96,735
<u>INCOME &amp; EXPENDITURE RESERVE</u>	8		52,699
			<u>149,434</u>

Approved by the Board on 22/6/16 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 2015 to 31st December 2015**

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 1st January 2015	99,810	
Reserve Fund Bank Account Interest Received Net	100	
Reserve Contributions	53,224	
	<hr/>	153,134
Less Expenditure		(50,338)
Adjustment Relating to Prior Years		(6,061)
		<hr/>
		96,735
Reserve Fund Bank Account Total		100,664
Net Liabilities due from Reserve Funds		(3,928)
Balance Carried Forward as at 31st December 2015		<hr/>
		96,735

**Notes to Service Charge Statement of Account for St Stephens Pavilion**

**For the Accounting Period from 1st January 2015 to 31st December 2015**

4 Sums Paid in this Period but Relating to Subsequent Periods

	£
Cleaning Contract	1,542
Caretaking/Security Services	746
Door Entry System	380
Drainage, Guttering & Sewerage	434
Lift Maintenance	1,531
Gate & Barrier Maintenance	263
Fire Equipment Maintenance	6,017
Water Treatment	217
Lightning Conductor	217
Dry Riser Test	217
Emergency Lighting	217
Engineering & Lift Insurance	1,878
Gas	191
	<u>12,830</u>

5 Balances Held: Cash at Bank and in Hand

	£
Cash at Bank and in Hand - Reserve - Admin Building	11,107
Cash at Bank and in Hand - Reserve - Estate	59,845
Cash at Bank and in Hand - Reserve - Ivory Building (All Flats)	1,887
Cash at Bank and in Hand - Reserve - Ivory Building (Comm. Entrance)	1,314
Cash at Bank and in Hand - Reserve - Parking	371
Cash at Bank and in Hand - Reserve - Pavilion Building	26,340
Cash at Bank and in Hand - Service Charge - Admin Building	5,134
Cash at Bank and in Hand - Service Charge - Estate	86,114
Cash at Bank and in Hand - Service Charge - Ivory Building (All Flats)	11,859
Cash at Bank and in Hand - Service Charge - Ivory Building (Comm. Entrance)	4,943
Cash at Bank and in Hand - Service Charge - Ivory Building (Gas Boiler)	3,382
Cash at Bank and in Hand - Service Charge - Parking	6,948
Cash at Bank and in Hand - Service Charge - Pavilion Building	76,519
	<u>295,383</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): 08882338 10125168 08882344 10287880 10297161 10125388  
 10124868 10124864 08882328 10287764 10297085 10297268  
 10125282 10124761

**Notes to Service Charge Statement of Account for St Stephens Pavillion**

**For the Accounting Period from 1st January 2015 to 31st December 2015**

**6 Costs Relating to this or Previous Period but not Yet Paid**

	£
Cleaning Contract	3,414
Insurance Claims	(280)
Door Entry System	30
Drainage, Guttering & Sewerage	80
Lift Maintenance	3,156
Gate & Barrier Maintenance	106
Fire Equipment Maintenance	582
Water Pump Maintenance	80
Water Treatment	80
Electrical Maintenance & Repairs	(170)
Lightning Conductor	80
General Repairs & Maintenance	1,007
Pest Control	(1,187)
Lift Telephone	28
Dry Riser Test	80
Emergency Lighting	60
Grounds Maintenance	978
Public Liability Insurance	376
Buildings Insurance	5,114
Accountancy Fees	2,769
Electricity	3,240
Water	80,409
Reserve Fund	6,309
	<u>105,221</u>

**7 Managing Agents Annual Declaration**

During the period the Residential Management Group Limited, in addition to acting as agent, charged appropriate fees to the service charge for the following services:

Carrying out Company Secretarial duties  
 Provision of Accountancy Services  
 Placement and administration of the insurance contract  
 Risk assessments and compliance with Health & Safety requirements

**8 Income & Expenditure Reserve**

A breakdown per schedule can be found in Appendix B

	£
Balance Brought Forward from 1st January 2015	52,899
Income & Expenditure Reserve Balance as at 31st December 2015	<u>52,899</u>

Appendix to Service Charge Statement of Account for St Stephens PavilionFor the Accounting Period from 1st January 2016 to 31st December 2016

£

£

Reserve Fund Schedule Estate

Balance Brought Forward from 1st January 2016	53,444
Reserve Fund Bank Account Interest Received Net	46
Reserve Contributions	8,391
PY Surplus Transferred to Reserves	8,780
Less Expenditure	
Insurance Valuation Fees	(1,048)
Five Year Electrical Testing	(4,287)
	<hr/>
	63,326

Reserve Fund Schedule Pavilion Building

Balance Brought Forward from 1st January 2016	33,589
Reserve Fund Bank Account Interest Received Net	38
Reserve Contributions	33,388
PY Deficit Transferred to Reserves	(25,172)
Less Expenditure	
Interior Decoration	(41,781)
	<hr/>
	40

Reserve Fund Schedule Admin Building

Balance Brought Forward from 1st January 2016	5,661
Reserve Fund Bank Account Interest Received Net	7
Reserve Contributions	5,540
PY Deficit Transferred to Reserves	(4,900)
Less Expenditure	
Insurance Valuation Fees	(675)
	<hr/>
	5,533

Reserve Fund Schedule Parking

Balance Brought Forward from 1st January 2016	1,284
Reserve Fund Bank Account Interest Received Net	2
Reserve Contributions	1,284
PY Surplus Transferred to Reserves	4,859
Less Expenditure	
Install Safety Edges	(1,211)
Installed Replacement Gate Motor	(1,046)
Insurance Valuation Fees	(180)
	<hr/>
	4,842

Reserve Fund Schedule Ivory Building- All Flats

Balance Brought Forward from 1st January 2016	822
Reserve Fund Bank Account Interest Received Net	2
Reserve Contributions	883
PY Surplus Transferred to Reserves	15,874
Less Expenditure	
Insurance Valuation Fees	(120)
	<hr/>
	17,041

Reserve Fund Schedule Ivory Building- Comm. Entrance

Balance Brought Forward from 1st January 2016	5,350
Reserve Fund Bank Account Interest Received Net	5
Reserve Contributions	5,800
PY Deficit Transferred to Reserves	(5,302)
	<hr/>
	5,853

**Appendix to Service Charge Statement of Account for St Stephens Pavilion**

**For the Accounting Period from 1st January 2015 to 31st December 2015**

£

£

**Income & Expenditure Reserve for - Estate**

Balance Brought Forward from 1st January 2015

52,699

52,699