

ST STEPHENS PAVILION

SERVICE CHARGE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

ST STEPHENS PAVILION

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For the year ended 31 December 2017

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ST STEPHENS PAVILION

SERVICE CHARGE ACCOUNTS for the year ended 31 December 2017

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 leases for St Stephens Pavilion, Norwich. In accordance with our engagement letter dated 3 August 2017, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 2 to 11 in respect of St Stephens Pavilion, Norwich for the year ended 31 December 2017 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 for this report.

Basis of report

Our work was carried out having regard to the guidance provided in Technical Factsheet 172 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 managing agent;
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 page 10 of 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 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 page 10 of the service charge accounts agrees or reconciles to the bank statements for the accounts in which the funds are held.

Sexty & Co

Sexty & Co
Chartered Certified Accountants
124 Thorpe Road
Norwich
NR1 1RS

Date: 20 March 2018

ST STEPHENS PAVILION

INCOME AND EXPENDITURE ACCOUNT - ESTATE

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		42,653		39,176
Administration fees recharged		90		-
Debt collection fees recharged		382		-
Other income		150		205
Bank interest		<u>166</u>		<u>77</u>
		43,441		39,458
 Expenditure				
Electrical maintenance	947		2,234	
General repairs & maintenance	4,028		252	
Grounds maintenance	7,821		7,678	
Venue hire	72		-	
Electricity	831		234	
Directors & officers insurance	614		2,436	
Audit & accountancy fees	4,839		2,841	
Company secretarial fees	754		827	
Health & safety	185		241	
Legal & professional fees	170		205	
Management fees	20,841		19,858	
Administration fees	90		-	
Debt collection fees	382		-	
GoCardless fees	341		-	
Postage expenses	1,521		2,442	
Other general overheads	-		(37)	
Bad debts	<u>-</u>	43,436	<u>6,069</u>	45,280
		<u>5</u>		<u>(5,822)</u>
Net surplus/(deficit) for the year		<u>5</u>		<u>(5,822)</u>

ST STEPHENS PAVILION

INCOME AND EXPENDITURE ACCOUNT - ADMIN & PAVILION BUILDING

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		287,064		257,256
Other income		-		1,466
Bank interest		-		170
		<u>287,064</u>		<u>258,892</u>
Expenditure				
Aerial maintenance	192		532	
CCTV & security	745		1,327	
Cleaning contract	31,358		35,364	
Drainage & sewerage	6,273		10,349	
Door entry system	2,061		2,756	
Dry riser test	3,806		2,047	
Electrical maintenance	7,100		6,100	
Emergency lighting	1,309		1,389	
Fire equipment maintenance	5,576		9,066	
General repairs & maintenance	24,405		9,639	
Gutter clearance	9,671		-	
Lift maintenance	16,264		12,237	
Lightning conductor	1,228		351	
Man safe equipment	1,662		704	
Pest control	4,318		2,261	
Refuse collection	1,123		1,561	
Window cleaning	15,874		19,240	
Electricity	22,951		18,709	
Lift telephone	2,218		1,867	
Water	57,297		58,000	
Buildings insurance	41,363		32,987	
Engineering & lift insurance	2,064		2,198	
Health & safety	1,598		2,082	
Legal & professional fees	2,232		-	
Management fees	<u>24,264</u>	286,952	<u>21,756</u>	252,522
		<u>287,064</u>		<u>258,892</u>
Net surplus for the year		112		6,370
		<u>112</u>		<u>6,370</u>

ST STEPHENS PAVILION

INCOME AND EXPENDITURE ACCOUNT - IVORY BUILDING (ALL FLATS)

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		17,297		3,237
Bank interest		<u>-</u>		<u>7</u>
		17,297		3,244
Expenditure				
Drainage & sewerage	1,269		681	
Dry riser test	7		27	
Gate & barrier maintenance	2,002		-	
Fire equipment maintenance	400		13	
General repairs & maintenance	2,142		-	
Gutter clearance	1,210		-	
Lightning conductor	15		42	
Man safe equipment	44		43	
Refuse collection	83		9	
Window cleaning	1,776		-	
Electricity	508		-	
Buildings insurance	4,419		1,224	
Health & safety	159		-	
Management fees	<u>3,213</u>	17,247	<u>2,092</u>	4,131
		<u>17,247</u>		<u>4,131</u>
Net surplus/(deficit) for the year		50		(887)
		<u><u>50</u></u>		<u><u>(887)</u></u>

ST STEPHENS PAVILION

INCOME AND EXPENDITURE ACCOUNT - IVORY BUILDING (COMMUNAL ENTRANCE)

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		17,031		22,138
Bank interest		<u>-</u>		<u>10</u>
		17,031		22,148
Expenditure				
Cleaning contract	6,725		3,247	
Drainage & sewerage	139		855	
Door entry system	-		109	
Dry riser test	50		200	
Emergency lighting	1,000		126	
Fire equipment maintenance	270		266	
General repairs & maintenance	4,624		5,218	
Lightning conductor	107		309	
Man safe equipment	317		309	
Pest control	746		1,870	
Water pump maintenance	-		540	
Electricity	3,028		4,255	
Buildings insurance	-		3,908	
Health & safety	<u>-</u>	17,006	<u>207</u>	21,419
		<u>17,006</u>		<u>21,419</u>
Net surplus for the year		25		729
		<u><u>25</u></u>		<u><u>729</u></u>

ST STEPHENS PAVILION

INCOME AND EXPENDITURE ACCOUNT - IVORY BUILDING (GAS BOILER)

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		3,080		2,540
Bank interest		<u>-</u>		<u>4</u>
		3,080		2,544
Expenditure				
Fire equipment maintenance	540		-	
General repairs & maintenance	350		-	
Gas Supply	<u>2,151</u>	3,041	<u>889</u>	889
		<u>39</u>		<u>1,655</u>
Net surplus for the year				
		<u><u>39</u></u>		<u><u>1,655</u></u>

INCOME AND EXPENDITURE ACCOUNT - PARKING

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		15,294		18,071
Bank interest		<u>-</u>		<u>14</u>
		15,294		18,085
Expenditure				
Repairs & maintenance	745		-	
Car park road / footpath maintenance	1,270		305	
CCTV & security	-		746	
Cleaning contract	2,869		2,352	
Drainage & sewerage	126		40	
Door entry system	714		119	
Electrical maintenance	2,158		930	
Gate & barrier maintenance	1,978		10,047	
Electricity	5,260		3,357	
Buildings insurance	<u>-</u>	15,120	<u>1,225</u>	19,121
		<u>174</u>		<u>(1,036)</u>
Net surplus/(deficit) for the year				
		<u><u>174</u></u>		<u><u>(1,036)</u></u>

ST STEPHENS PAVILION

RESERVE ACCOUNT - ESTATE

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		4,415		3,909
Bank interest		<u>-</u>		<u>64</u>
		4,415		3,973
Expenditure				
General repair works	4,176		-	
Electrical works	-		(4,287)	
Bad debts	1,573		-	
Legal & professional fees	<u>-</u>	5,749	<u>115</u>	(4,172)
		<u> </u>		<u> </u>
Net (deficit)/surplus for the year		<u>(1,334)</u>		<u>8,145</u>

RESERVE ACCOUNT - ADMIN & PAVILION BUILDING

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		117,696		74,930
Bank interest		<u>-</u>		<u>34</u>
		117,696		74,964
Expenditure				
External repairs/decoration works	130,405		5,350	
Roofing works	25,857		-	
Lift repairs & maintenance works	-		15,163	
Electrical works	-		22,515	
Legal & professional fees	<u>16,732</u>	172,994	<u>19,643</u>	62,671
		<u> </u>		<u> </u>
Net (deficit)/surplus for the year		<u>(55,298)</u>		<u>12,293</u>

ST STEPHENS PAVILION

RESERVE ACCOUNT - IVORY BUILDING (ALL FLATS)

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		3,537		2,262
Bank interest		<u>-</u>		<u>11</u>
		3,537		2,273
Expenditure				
Legal & professional fees	<u>-</u>	-	<u>92</u>	92
Net surplus for the year		<u>3,537</u>		<u>2,181</u>

RESERVE ACCOUNT - IVORY BUILDING (COMMUNAL ENTRANCE)

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		25,744		16,404
Bank interest		<u>-</u>		<u>12</u>
		25,744		16,416
Expenditure				
Legal & professional fees	<u>-</u>	-	<u>667</u>	667
Net surplus for the year		<u>25,744</u>		<u>15,749</u>

ST STEPHENS PAVILION

RESERVE ACCOUNT - PARKING

For the year ended 31 December 2017

	2017		2016	
	£	£	£	£
Income				
Service charges		5,758		3,577
Bank interest		<u>-</u>		<u>3</u>
		5,758		3,580
Expenditure				
General repairs works	-		5,276	
Legal & professional fees	<u>-</u>	-	<u>145</u>	5,421
Net surplus/(deficit) for the year		<u>5,758</u>		<u>(1,841)</u>

ST STEPHENS PAVILION

BALANCE SHEET

31 December 2017

	Notes	2017		2016
		£		£
CURRENT ASSETS				
Debtors	2	3,851		50,257
Bank Balance	3	<u>409,241</u>		<u>407,317</u>
		413,092		457,574
LESS CURRENT LIABILITIES				
Creditors	4	<u>248,724</u>		<u>145,915</u>
NET ASSETS				
		<u>164,368</u>		<u>311,659</u>
FINANCED BY				
RESERVES				
Income and Expenditure Account	5	52,699	178,397	
Reserve Account - Estate	5	15,109	16,443	
Reserve Account - Admin/Pavilion	5	19,897	75,195	
Reserve Account - Ivory Building (All Flats)	5	22,759	19,222	
Reserve Account - Ivory Building (Comm. Ent)	5	47,346	21,602	
Reserve Account - Parking	5	<u>6,558</u>	<u>164,368</u>	<u>800</u>
			<u>164,368</u>	<u>311,659</u>

The service charge accounts were approved by the managing agent on 20 March 2018 and signed on their behalf by:



G N Hudson
Director, for and on behalf of Norwich Residential Management Limited

ST STEPHENS PAVILION

NOTES TO THE SERVICE CHARGE ACCOUNTS

for the year ended 31 December 2017

1. ACCOUNTING POLICIES

The accounts are prepared in accordance with the provisions of the leases on the accruals basis.

2. DEBTORS

	2017	2016
	£	£
Service charges	3,728	1,919
Sundry debtors	-	2,396
Prepayments	123	45,942
	<u>3,851</u>	<u>50,257</u>

3. BANK ACCOUNT

Service charge money is held in trust at Barclays Bank PLC under the title NRM SSPMCL Client Account.

4. CREDITORS

	2017	2016
	£	£
Service charges received in advance	150,794	-
Sundry creditors	-	3,197
Accruals	70,251	90,808
Surplus service charge monies	1,414	1,009
Trade creditors	26,265	50,901
	<u>248,724</u>	<u>145,915</u>

5. RESERVES

	Income & Expenditure £	Reserve Fund - Estate £	Reserve Fund - Adm/Pav £	Res Fund - Ivory All Flats £
At 1 January 2017	178,397	16,443	75,195	19,222
Repayment of 2015 surplus	(125,698)	-	-	-
Surplus/(deficit) for the year	405	(1,334)	(55,298)	3,537
Surplus service charge monies transferred to creditors (note 4)	(405)	-	-	-
At 31 December 2017	<u>52,699</u>	<u>15,109</u>	<u>19,897</u>	<u>22,759</u>

	Res Fund - Ivory Comm. Ent £	Reserve Fund - Parking £	Total £
At 1 January 2017	21,602	800	311,659
Repayment of 2015 surplus	-	-	(125,698)
Surplus/(deficit) for the year	25,744	5,758	(21,188)
Surplus service charge monies transferred to creditors (note 4)	-	-	(405)
At 31 December 2017	<u>47,346</u>	<u>6,558</u>	<u>164,368</u>

The Reserve Funds are held for large scale capital work and major renovations.