

**ST STEPHENS PAVILION**

**SERVICE CHARGE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

# ST STEPHENS PAVILION

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For the year ended 31 December 2018

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## ST STEPHENS PAVILION

### SERVICE CHARGE ACCOUNTS for the year ended 31 December 2018

#### 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 07 June 2019, 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 2018 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: 14 June 2019

**ST STEPHENS PAVILION**

**INCOME AND EXPENDITURE ACCOUNT - ESTATE**

**For the year ended 31 December 2018**

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		23,780		42,653
Administration fees recharged		-		90
Debt collection fees recharged		-		382
Other income		-		150
Bank interest		-		166
		23,780		43,441
<b>Expenditure</b>				
Electrical maintenance	1,452		947	
General repairs & maintenance	5,780		4,028	
Grounds maintenance	4,350		7,821	
Venue hire	135		72	
Pest Control	1,000		-	
Electricity	1,015		831	
Directors & officers insurance	879		614	
Public Liability Insurance	2,850		-	
Audit & accountancy fees	587		4,839	
Company secretarial fees	-		754	
Health & safety	-		185	
Legal & professional fees	2,610		170	
Management fees	1,980		20,841	
Administration fees	-		90	
Debt collection fees	-		382	
GoCardless fees	-		341	
Postage expenses	702		1,521	
Bank Charges	100		-	
		23,440		43,436
<b>Net surplus for the year</b>		340		5

**ST STEPHENS PAVILION**

**INCOME AND EXPENDITURE ACCOUNT - ADMIN & PAVILION BUILDING**

**For the year ended 31 December 2018**

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		274,521		287,064
Other income		-		-
Bank interest		-		-
		<hr/>		<hr/>
		274,521		287,064
 <b>Expenditure</b>				
Aerial maintenance	708		192	
CCTV & security	2,523		745	
Cleaning contract	36,079		31,358	
Drainage & sewerage	8,563		6,273	
Door entry system	1,821		2,061	
Dry riser test	4,112		3,806	
Electric tug vehicle	2,013		-	
Electrical maintenance	-		7,100	
Emergency lighting	-		1,309	
Fire equipment maintenance	4,983		5,576	
General repairs & maintenance	26,611		24,405	
Gutter clearance	5,828		9,671	
Lift maintenance	13,615		16,264	
Lightning conductor	185		1,228	
Man safe equipment	720		1,662	
Pest control	2,899		4,318	
Refuse collection	343		1,123	
Window cleaning	19,040		15,874	
Electricity	20,434		22,951	
Lift telephone	2,015		2,218	
Water	57,772		57,297	
Buildings insurance	34,094		41,363	
Engineering & lift insurance	3,092		2,064	
Terrorism insurance	4,435		-	
Health & safety	-		1,598	
Legal & professional fees	-		2,232	
Insurance repairs costs	420		-	
Bank charges	1,688		-	
Management fees	20,420		24,264	
		<hr/>		<hr/>
		274,413	24,264	286,952
 <b>Net surplus for the year</b>				
		<hr/>		<hr/>
		108		112
		<hr/>		<hr/>

**ST STEPHENS PAVILION**

**INCOME AND EXPENDITURE ACCOUNT - IVORY BUILDING (ALL FLATS)**

**For the year ended 31 December 2018**

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		19,987		17,297
Bank interest		<u>-</u>		<u>-</u>
		19,987		17,297
<b>Expenditure</b>				
Car park road/footpath maintenance	100		-	
CCTV & security	250		-	
Drainage & sewerage	1,950		1,269	
Dry riser test	400		7	
Electric tug vehicle	200		-	
Gate & barrier maintenance	1,505		2,002	
Fire equipment maintenance	1,003		400	
General repairs & maintenance	1,788		2,142	
Gutter clearance	625		1,210	
Lightning conductor	-		15	
Pest control	500		-	
Man safe equipment	-		44	
Refuse collection	-		83	
Window cleaning	2,000		1,776	
Electricity	507		508	
Buildings insurance	5,105		4,419	
Health & safety	-		159	
Bank charges	350		-	
Management fees	<u>3,795</u>	<u>20,078</u>	<u>3,213</u>	<u>17,247</u>
<b>Net (deficit)/surplus for the year</b>		<u>(91)</u>		<u>50</u>

## ST STEPHENS PAVILION

### INCOME AND EXPENDITURE ACCOUNT - IVORY BUILDING (COMMUNAL ENTRANCE)

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		10,732		17,031
Bank interest		<u>-</u>		<u>-</u>
		10,732		17,031
<b>Expenditure</b>				
Cleaning contract	3,100		6,725	
Drainage & sewerage	-		139	
Door entry system	562		-	
Dry riser test	-		50	
Emergency lighting	-		1,000	
Fire equipment maintenance	-		270	
General repairs & maintenance	5,710		4,624	
Lightning conductor	-		107	
Man safe equipment	-		317	
Pest control	(304)		746	
Bank charges	100		-	
Electricity	<u>1,355</u>	<u>10,523</u>	<u>3,028</u>	<u>17,006</u>
<b>Net surplus for the year</b>		<u>209</u>		<u>25</u>

**ST STEPHENS PAVILION**

**INCOME AND EXPENDITURE ACCOUNT - IVORY BUILDING (GAS BOILER)**

**For the year ended 31 December 2018**

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		1,500		3,080
Bank interest		<u>-</u>		<u>-</u>
		1,500		3,080
<b>Expenditure</b>				
Fire equipment maintenance	-		540	
General repairs & maintenance	207		350	
Gas Supply	<u>1,200</u>	1,407	<u>2,151</u>	3,041
		<u>          </u>		<u>          </u>
<b>Net surplus for the year</b>		<u>93</u>		<u>39</u>

**INCOME AND EXPENDITURE ACCOUNT - PARKING**

**For the year ended 31 December 2018**

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		32,678		15,294
Bank interest		<u>-</u>		<u>-</u>
		32,678		15,294
<b>Expenditure</b>				
Repairs & maintenance	-		745	
Car park road / footpath maintenance	3,672		1,270	
CCTV & security	1,019		-	
Cleaning contract	2,000		2,869	
Drainage & sewerage	-		126	
Door entry system	320		714	
Electrical maintenance	2,676		2,158	
Gate & barrier maintenance	1,677		1,978	
General repairs & maintenance	5,308		-	
Pest control	1,168		-	
Electricity	-		5,260	
Management fees	14,750		-	
Bank charges	<u>100</u>	32,690	<u>-</u>	15,120
		<u>          </u>		<u>          </u>
<b>Net (deficit)/surplus for the year</b>		<u>(12)</u>		<u>174</u>



# ST STEPHENS PAVILION

## INCOME AND EXPENDITURE ACCOUNT - OTHER

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
<b>Income</b>				
Ground rents		118,033		-
Insurance repairs		3,594		-
Admin fees recharged		930		-
Debt collection fees recharged		20		-
Bank interest		<u>1,020</u>		<u>-</u>
		123,597		-
<b>Expenditure</b>				
Ground rents	118,033		-	
General repair works	3,594		-	
Other general overheads	209		-	
Admin fees	930		-	
Debt collection fee	20		-	
Go cardless fee	236		-	
Bad debts	<u>575</u>	<u>123,597</u>	<u>-</u>	<u>-</u>
<b>Net surplus for the year</b>		-		-

## ST STEPHENS PAVILION

### RESERVE ACCOUNT - ESTATE

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		2,365		4,415
Bank interest		<u>-</u>		<u>-</u>
		2,365		4,415
<b>Expenditure</b>				
General repair works	7,517		4,176	
Bad debts	<u>-</u>	7,517	<u>1,573</u>	5,749
<b>Net (deficit) for the year</b>		<u>(5,152)</u>		<u>(1,334)</u>

### RESERVE ACCOUNT - ADMIN & PAVILION BUILDING

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		84,700		117,696
Bank interest		<u>-</u>		<u>-</u>
		84,700		117,696
<b>Expenditure</b>				
External repairs/decoration works	81,058		130,405	
Roofing works	17,219		25,857	
General repair works	1,080		-	
Legal & professional fees	<u>1,890</u>	101,247	<u>16,732</u>	172,994
<b>Net (deficit) for the year</b>		<u>(16,547)</u>		<u>(55,298)</u>

ST STEPHENS PAVILION

RESERVE ACCOUNT - IVORY BUILDING (ALL FLATS)

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		14,520		3,537
Bank interest		<u>-</u>		<u>-</u>
		14,520		3,537
<b>Expenditure</b>				
Legal & professional fees	2,500		-	
General repair works	<u>22,026</u>	24,526	<u>-</u>	<u>-</u>
<b>Net (deficit)/surplus for the year</b>		<u>(10,006)</u>		<u>3,537</u>

RESERVE ACCOUNT - IVORY BUILDING (COMMUNAL ENTRANCE)

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		5,940		25,744
Bank interest		<u>-</u>		<u>-</u>
		5,940		25,744
<b>Expenditure</b>				
General repair works	<u>4,830</u>	4,830	<u>-</u>	<u>-</u>
<b>Net surplus for the year</b>		<u>1,110</u>		<u>25,744</u>

## ST STEPHENS PAVILION

### RESERVE ACCOUNT - PARKING

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		8,140		5,758
Bank interest		<u>-</u>		<u>-</u>
		8,140		5,758
<b>Expenditure</b>				
General repair works	<u>6,735</u>	6,735	<u>-</u>	<u>-</u>
<b>Net surplus for the year</b>		<u>1,405</u>		<u>5,758</u>

### RESERVE ACCOUNT – GAS BOILER

For the year ended 31 December 2018

	2018		2017	
	£	£	£	£
<b>Income</b>				
Service charges		880		-
Bank interest		<u>-</u>		<u>-</u>
		880		
<b>Expenditure</b>				
General repair works	<u>1,189</u>	1,189	<u>-</u>	<u>-</u>
<b>Net (deficit) for the year</b>		<u>(309)</u>		<u>-</u>

**ST STEPHENS PAVILION**

**BALANCE SHEET**

**31 December 2018**

	Notes	2018	2017
		£	£
<b>CURRENT ASSETS</b>			
Debtors	2	4,238	3,851
Bank Balance	3	<u>425,619</u>	<u>409,241</u>
		429,857	413,092
<b>LESS CURRENT LIABILITIES</b>			
Creditors	4	294,988	248,724
		<u>134,869</u>	<u>164,368</u>
<b>NET ASSETS</b>			
		<u>134,869</u>	<u>164,368</u>
<b>FINANCED BY</b>			
<b>RESERVES</b>			
Income and Expenditure Account	5	52,699	52,699
Reserve Account - Estate	5	9,957	15,109
Reserve Account - Admin/Pavilion	5	3,350	19,897
Reserve Account - Ivory Building (All Flats)	5	12,753	22,759
Reserve Account - Ivory Building (Comm. Ent)	5	48,456	47,346
Reserve Account - Parking	5	7,963	6,558
Reserve Account – Gas Boiler	5	<u>(309)</u>	<u>-</u>
		<u>134,869</u>	<u>164,368</u>

The service charge accounts were approved by the managing agent on 14 June 2019 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 2018

#### 1. ACCOUNTING POLICIES

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

#### 2. DEBTORS

	2018	2017
	£	£
Service charges	670	3,728
Sundry debtors	1,291	-
Prepayments	2,277	123
	<u>4,238</u>	<u>3,851</u>

#### 3. BANK ACCOUNT

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

#### 4. CREDITORS

	2018	2017
	£	£
Service charges received in advance	200,070	150,794
Sundry creditors	-	-
Accruals	70,856	70,251
Surplus service charge monies	2,061	1,414
Trade creditors	22,001	26,265
	<u>294,988</u>	<u>248,724</u>

#### 5. RESERVES

	Income & Expenditure £	Reserve Fund - Estate £	Reserve Fund - Adm/Pav £	Res Fund - Ivory All Flats £
At 1 January 2018	52,699	15,109	19,897	22,759
Surplus/(deficit) for the year	647	(5,152)	(16,547)	(10,006)
Surplus service charge monies transferred to creditors (note 4)	(647)	-	-	-
At 31 December 2018	<u>52,699</u>	<u>9,957</u>	<u>3,350</u>	<u>12,753</u>
	Res Fund - Ivory Comm. Ent £	Reserve Fund - Parking £	Reserve Fund – Gas Boiler £	Total £
At 1 January 2018	47,346	6,558	-	164,368
Surplus/(deficit) for the year	1,110	1,405	(309)	(28,852)
Surplus service charge monies transferred to creditors (note 4)	-	-	-	(647)
At 31 December 2018	<u>48,456</u>	<u>7,963</u>	<u>(309)</u>	<u>134,869</u>

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