

Fellowes Plain Estate

Service Charge Accounts

from 1st January 2013 to 31st December 2013

Fellowes Plain EstateExpenditure for the Periodfrom 1st January 2013 to 31st December 2013**Accountant's report of factual findings to the Managing Agent of Fellowes Plain Estate**

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 Fellowes Plain Estate. 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 Fellowes Plain Estate 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.

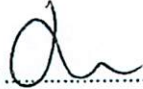
Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, we do not express any assurance on the service charge accounts other than in making the factual statements 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 Fellowes Plain EstateFor the Accounting Period from 1st January 2013 to 31st December 2013Income and Expenditure Account

	Actual	Budget
	£	£
<u>Repairs & Maintenance</u>		
Drainage, Guttering & Sewerage	-	989
Water Feature Maintenance	-	500
Electrical Maintenance & Repairs	807	404
General Repairs & Maintenance	741	989
Pest Control	474	-
<u>Grounds Maintenance</u>		
Grounds Maintenance	6,731	10,000
Tree Surgery	716	-
<u>Insurance</u>		
Public Liability Insurance	627	635
<u>Professional Fees</u>		
Management Fees	15,348	15,347
Company Secretarial Fees	803	803
Accountancy Fees	600	-
Health & Safety	-	300
Legal & Professional Fees	864	800
Business Rates	6,154	4,000
Printing, Postage & Stationery	3,537	3,777
Estate Contribution	5,200	5,200
<u>Utilities</u>		
Electricity	-	1,000
Water	-	500
<u>Contributions Transferred to Reserve Fund</u>		
Reserve Fund Contribution	605	1,000
<u>TOTAL EXPENDITURE</u>	<u>43,207</u>	<u>46,244</u>
<u>Income</u>		
Service Charges Receivable	24,983	
Service Charges Receivable from Developer	18,629	
Reserve Charges Receivable	605	
	<u>44,217</u>	
<u>Interest Received</u>		
Bank Interest Received Net	4	
<u>Other Income</u>	75	
<u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD</u>	<u>1,089</u>	

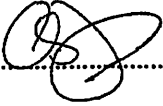
Approved by the Board on 10.4.14 and signed on its behalf by


.....Director

Service Charge Statement of Account for Fellowes Plain EstateBalancing Statement as at 31st December 2013

	Notes	£	£
<u>ASSETS</u>			
Service Charges Owed by Tenants			975
Sundry Debtors			54,016
Sums Paid in this Period but Relating to Subsequent Periods	4		1,229
Balances Held: Cash at Bank and in Hand	5		11,794
			<hr/>
			68,014
<u>LESS: LIABILITIES</u>			
Service Charges Paid in Advance		24,376	
Costs Relating to this or Previous Period but not Yet Paid	6	12,055	
Sundry Creditors		10,400	
Surplus for the Period to be Credited		1,089	
			<hr/>
			47,920
<u>NET ASSETS / (LIABILITIES)</u>			<hr/> <u>20,094</u>
<u>RESERVE FUND</u>	3		2,614
<u>INCOME & EXPENDITURE RESERVE</u>	7		17,480
			<hr/> <u>20,094</u>

Approved by the Board on 10.6.14 and signed on its behalf by

Director

Notes to Service Charge Statement of Account for Fellowes Plain Estate

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

	£	£
Balance Brought Forward from 31st December 2012	2,007	
Reserve Fund Bank Account Interest Received Net	2	
Reserve Contributions	605	
	<hr/>	2,614
		<hr/> <u>2,614</u>
Reserve Fund Bank Account Total		948
Net Assets due to Reserve Funds		1,666
Balance Carried Forward as at 31st December 2013		<hr/> <u>2,614</u>

4 Sums Paid in this Period but Relating to Subsequent Periods

	£
Public Liability Insurance	204
Business Rates	1,025
	<hr/> <u>1,229</u>

Notes to Service Charge Statement of Account for Fellowes Plain Estate
For the Accounting Period from 1st January 2013 to 31st December 2013

5 Balances Held: Cash at Bank and in Hand

	£
Cash at Bank and in Hand - Function Room Income	45
Cash at Bank and in Hand - Reserve	948
Cash at Bank and in Hand - Service Charge	10,801
	<u>11,794</u>

All bank accounts are held in trust in accordance with S.42 (Landlord & Tenant Act 1987) at:
 Halifax Bank of Scotland (HBOS), New Ubertor House, 11 Earl Gray Street, EH3 9BN

Under the title;

Account Name: Fellowes Plain Estate Client A/C
 Account Number(s): 10206286 06882272 06882280 06671625 06882280

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

	£
Electrical Maintenance & Repairs	300
General Repairs & Maintenance	65
Pest Control	118
Grounds Maintenance	4,173
Management Fees	6,385
Accountancy Fees	931
Electricity	72
	<u>12,055</u>

7 Income & Expenditure Reserve

	£
Balance Brought Forward from 31st December 2012	8,137
Sundry Creditor Adjustment	9,343
Income & Expenditure Reserve Balance as at 31st December 2013	<u>17,480</u>

Appendix to Service Charge Statement of Account for Fellowes Plain EstateFor the Accounting Period from 1st January 2013 to 31st December 2013

£

£

Reserve Fund

Balance Brought Forward from 31st December 2012
Reserve Fund Bank Account Interest Received Net
Reserve Contributions

2,007

2

605

2,614

Appendix B

Appendix to Service Charge Statement of Account for Fellowes Plain Estate

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

Income & Expenditure Reserve

Balance Brought Forward from 31st December 2012

£ 8,137

Sundry Creditor Adjustment

£ 9,343

17,480