

Fellows Plain Estate

Service Charge Accounts

from 1st January 2014 to 31st December 2014

Fellowes Plain EstateExpenditure for the Periodfrom 1st January 2014 to 31st December 2014**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 six in respect of Fellowes Plain Estate for the year ended 31st December 2014 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.

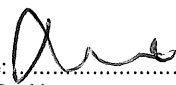
Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, other matters might have come to our attention that would have been reported 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.

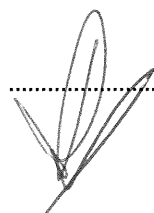
13 AUG 2015

Date:
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 Estate**For the Accounting Period from 1st January 2014 to 31st December 2014****Income and Expenditure Account**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Drainage, Guttering & Sewerage		-	300
Water Feature Maintenance		-	300
Electrical Maintenance & Repairs		540	497
General Repairs & Maintenance		350	989
<u>Grounds Maintenance</u>			
Grounds Maintenance		10,919	11,000
Improvement to Grounds		8,345	-
<u>Insurance</u>			
Public Liability Insurance		651	700
<u>Professional Fees</u>			
Management Fees		15,809	15,809
Company Secretarial Fees		803	803
Accountancy Fees		584	600
Health & Safety		309	309
Legal & Debt Collection		-	500
Business Rates		4,219	4,158
Sundry Expenses		4,085	3,815
Estate Contribution		3,634	5,200
<u>Utilities</u>			
Electricity		249	500
Water		-	200
<u>Contributions Transferred to Reserve Fund</u>			
Reserve Fund Contribution		3,986	6,000
<u>TOTAL EXPENDITURE</u>		<u>54,483</u>	<u>51,680</u>
<u>Income</u>			
Service Charges Receivable	30,401		
Service Charges Receivable-Developer	18,027		
Reserve Charges Receivable	3,986		
	<hr/>	52,414	
<u>Interest Received</u>			
Bank Interest Received Net		8	
<u>Other Income</u>			
		4,500	
<u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD</u>		<u>2,439</u>	

Approved by the Board on 6/8/15 and signed on its behalf by


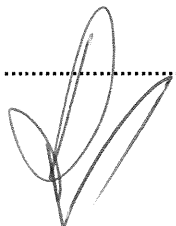
.....Director

Service Charge Statement of Account for Fellowes Plain Estate**Balancing Statement as at 31st December 2014**

	Notes	£	£
<u>ASSETS</u>			
Service Charges Owed by Tenants			1,813
Sundry Debtors			23,580
Sums Paid in this Period but Relating to Subsequent Periods	4		1,256
Balances Held: Cash at Bank and in Hand	5		9,331
			35,980
<u>LESS: LIABILITIES</u>			
Service Charges Paid in Advance		4,991	
Costs Relating to this or Previous Period but not Yet Paid	6	6,694	
Sundry Creditors		10,244	
Surplus for the Period to be Credited		2,439	
			24,368
<u>NET ASSETS / (LIABILITIES)</u>			11,612
<u>RESERVE FUND</u>	3		5,110
<u>INCOME & EXPENDITURE RESERVE</u>	7		6,502
			11,612

Approved by the Board on 6/8/15 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 2014 to 31st December 2014

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 2014	2,614	
Reserve Fund Bank Account Interest Received Net	2	
Reserve Contributions	3,986	
	<hr/>	6,602
Less Expenditure		(1,492)
		<hr/> <u>5,110</u>
Reserve Fund Bank Account Total		3,239
Net Assets due to Reserve Funds		1,871
Balance Carried Forward as at 31st December 2014		<hr/> <u>5,110</u>

Notes to Service Charge Statement of Account for Fellowes Plain Estate

For the Accounting Period from 1st January 2014 to 31st December 2014

4 Sums Paid in this Period but Relating to Subsequent Periods

	£
Public Liability Insurance	211
Business Rates	1,045
	<u>1,256</u>

5 Balances Held: Cash at Bank and in Hand

	£
Cash at Bank and in Hand - Function Room Income	3,276
Cash at Bank and in Hand - Reserve	3,239
Cash at Bank and in Hand - Service Charge	2,816
	<u>9,331</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: Fellowes Plain Estate Client A/C
Account Number(s): 10206266 06882272 06882280 06671625

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

	£
Pest Control	79
Grounds Maintenance	1,823
Accountancy Fees	600
Health & Safety	309
Estate Contribution	3,634
Electricity	249
	<u>6,694</u>

Notes to Service Charge Statement of Account for Fellowes Plain Estate**For the Accounting Period from 1st January 2014 to 31st December 2014**7 Income & Expenditure Reserve

	£
Balance Brought Forward from 1st January 2014	17,480
Adjustment Relating to Prior Years	(12,067)
Previous Years Surplus transferred	1,089
Income & Expenditure Reserve Balance as at 31st December 2014	<u>6,502</u>

8 Transactions with Fellowes Plain Estate MCL

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
Risk assessments and compliance with Health & Safety requirements

Appendix to Service Charge Statement of Account for Fellowes Plain Estate**For the Accounting Period from 1st January 2014 to 31st December 2014**

£

£

Reserve Fund

Balance Brought Forward from 1st January 2014	2,614
Reserve Fund Bank Account Interest Received Net	2
Reserve Contributions	3,986
Less Expenditure	
Expenses for Small gardening contractor	(1,492)
	<u>5,110</u>