

**Fellowes Plain Estate**

**Service Charge Accounts**

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

**Fellowes Plain Estate**

Expenditure for the Period

from 1st January 2015 to 31st December 2015

**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 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:**

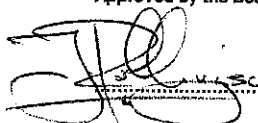
- (a) With respect to item 1 we found the figures in the statement of account to have been extracted correctly from the accounting records.
- (b) With respect to item 2 we found that those entries in the accounting records that we checked were supported by receipts, other documentation or evidence that 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.

Date: 06/10/2016  
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 2015 to 31st December 2015Income and Expenditure Account

| <u>Repairs &amp; Maintenance</u>                     | £      | Actual<br>£   | Budget<br>£   |
|--|--------|---------------|---------------|
| Cleaning Contract                                    |        | -             | 1,000         |
| Door Entry System                                    |        | -             | 1,440         |
| Lift Maintenance                                     |        | -             | 600           |
| Fire Equipment Maintenance                           |        | -             | 600           |
| Electrical Maintenance & Repairs                     |        | 198           | 892           |
| General Repairs & Maintenance                        |        | 493           | 1,000         |
| Pest Control   |        | 40            | 419           |
| Bin Hire Costs                                       |        | 102           | -             |
| <br>   |        |               |               |
| <u>Grounds Maintenance</u>                           |        |               |               |
| Grounds Maintenance                                  |        | 10,529        | 12,761        |
| Tree Surgery   |        | 3,948         | 2,400         |
| Plant Maintenance                                    |        | 6,658         | 8,004         |
| <br>   |        |               |               |
| <u>Insurance</u>                                     |        |               |               |
| Public Liability Insurance                           |        | 676           | 724           |
| Buildings Insurance                                  |        | 3,258         | 5,000         |
| <br>   |        |               |               |
| <u>Professional Fees</u>                             |        |               |               |
| Management Fees                                      |        | 16,283        | 16,283        |
| Company Secretarial Fees                             |        | 828           | 828           |
| Accountancy Fees                                     |        | 627           | 618           |
| Health & Safety                                      |        | (9)           | 572           |
| Legal & Debt Collection                              |        | -             | 240           |
| Business Rates                                       |        | 5,251         | 7,777         |
| Printing, Postage & Stationery                       |        | 4,241         | 4,412         |
| Sundry Expenses                                      |        | (97)          | -             |
| <br>   |        |               |               |
| <u>Utilities</u>                                     |        |               |               |
| Electricity  |        | 411           | 500           |
| Water  |        | 200           | 200           |
| <br>   |        |               |               |
| <u>Contributions Transferred to Reserve Fund</u>     |        |               |               |
| Reserve Fund Contribution                            |        | 10,200        | 10,200        |
| <br>   |        |               |               |
| <b>TOTAL EXPENDITURE</b>                             |        | <u>63,837</u> | <u>76,470</u> |
| <br>   |        |               |               |
| <u>Income</u>  |        |               |               |
| Service Charges Receivable                           | 66,268 |               |               |
| Reserve Charges Receivable                           | 10,200 |               |               |
| Prior Years Adjustments                              | 9,870  |               |               |
|  |        | <u>86,338</u> |               |
| <br>   |        |               |               |
| <u>Interest Received</u>                             |        |               |               |
| Bank Interest Received Net                           |        | 27            |               |
| <br>   |        |               |               |
| <u>Other Income</u>                                  |        | 9,018         |               |
| <br>   |        |               |               |
| <b>SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD</b> |        | <u>31,546</u> |               |

Approved by the Board on 30-SEP-16 and signed on its behalf by


.....Director

JAMES ROLLINGSON.

Service Charge Statement of Account for Fellowes Plain EstateBalancing Statement as at 31st December 2015

|   | Notes | £      | £      |
|---|-------|--------|--------|
| <u>ASSETS</u>   |       |        |        |
| Service Charges Owed by Tenants                             |       |        | 3,943  |
| Sundry Debtors  |       |        | 2,364  |
| Sums Paid in this Period but Relating to Subsequent Periods | 4     |        | 3,974  |
| Balances Held: Cash at Bank and in Hand                     | 5     |        | 63,095 |
|   |       |        | <hr/>  |
|   |       |        | 73,376 |
| <u>LESS: LIABILITIES</u>                                    |       |        |        |
| Service Charges Paid in Advance                             |       | 28     |        |
| Costs Relating to this or Previous Period but not Yet Paid  | 6     | 14,293 |        |
| Sundry Creditors  |       | 1,950  |        |
| Surplus for the Period to be Credited                       |       | 31,546 |        |
|   |       |        | <hr/>  |
|   |       |        | 47,817 |
| <u>NET ASSETS / (LIABILITIES)</u>                           |       |        |        |
|   |       |        | <hr/>  |
|   |       |        | 25,559 |
| <u>RESERVE FUND</u>   |       |        |        |
|   | 3     |        | 25,559 |
| <u>INCOME &amp; EXPENDITURE RESERVE</u>                     |       |        |        |
|   | 8     |        | 0      |
|   |       |        | <hr/>  |
|   |       |        | 25,559 |

Approved by the Board on 30-SEP-16 and signed on its behalf by

.....Director

JAMES ROLLINSON

**Notes to Service Charge Statement of Account for Fellowes Plain Estate**

**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

|  | £      | £                   |
|--|--------|---------------------|
| Balance Brought Forward from 1st January 2015      | 5,110  |                     |
| Reserve Fund Bank Account Interest Received Net    | 10     |                     |
| Reserve Contributions                              | 10,200 |                     |
|  | <hr/>  | 15,320              |
| Transfer of Accumulated Surplus Upto YE 31.12.2014 |        | 8,941               |
| Income Adjustment Relating to Prior Years          |        | 1,298               |
|  |        | <hr/> <u>25,559</u> |
| Reserve Fund Bank Account Total                    |        | 25,233              |
| Net Assets due to Reserve Funds                    |        | 326                 |
| Balance Carried Forward as at 31st December 2015   |        | <hr/> <u>25,559</u> |

**Notes to Service Charge Statement of Account for Fellowes Plain Estate****For the Accounting Period from 1st January 2015 to 31st December 2015**4 Sums Paid in this Period but Relating to Subsequent Periods

|                            | £            |
|----------------------------|--------------|
| Public Liability Insurance | 222          |
| Buildings Insurance        | 2,314        |
| Business Rates             | 1,438        |
|                            | <u>3,974</u> |

5 Balances Held: Cash at Bank and in Hand

|   | £             |
|---|---------------|
| Cash at Bank and in Hand - Function Room Income     | 3,979         |
| Cash at Bank and in Hand - Major Works - Section 20 | 8,941         |
| Cash at Bank and in Hand - Reserve                  | 16,292        |
| Cash at Bank and in Hand - Service Charge           | 33,883        |
|   | <u>63,095</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

**Notes to Service Charge Statement of Account for Fellowes Plain Estate**

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

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

|                     | £             |
|---------------------|---------------|
| Grounds Maintenance | 4,634         |
| Tree Surgery        | 3,948         |
| Plant Maintenance   | 4,440         |
| Accountancy Fees    | 626           |
| Electricity         | 445           |
| Water               | 200           |
|                     | <u>14,293</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

|   | £        |
|---|----------|
| Balance Brought Forward from 1st January 2015                 | 6,502    |
| Transfer of Accumulated Surplus Upto YE 31.12.2014            | (8,941)  |
| Previous Years Surplus transferred                            | 2,439    |
| Income & Expenditure Reserve Balance as at 31st December 2015 | <u>0</u> |

**Appendix to Service Charge Statement of Account for Fellowes Plain Estate****For the Accounting Period from 1st January 2015 to 31st December 2015**

£

£

**Reserve Fund**

|  |        |
|--|--------|
| Balance Brought Forward from 1st January 2015      | 5,110  |
| Reserve Fund Bank Account Interest Received Net    | 10     |
| Reserve Contributions                              | 10,200 |
| Transfer of Accumulated Surplus Upto YE 31.12.2014 | 8,941  |
| Income Adjustment Relating to Prior Years          | 1,298  |
|  | <hr/>  |
|  | 25,559 |