

**Fellowes Plain Estate**

**Service Charge Accounts**

**from 1st January 2016 to 31st December 2016**

**Fellowes Plain Estate**

**Expenditure for the Period**

**from 1st January 2016 to 31st December 2016**

**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 2016 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: **May 11, 2017**  
6-7 Castle Gate  
Castle Street  
Hertford  
Hertfordshire  
SG14 1HD

  
Signature: Thomas David (May 11, 2017)  
Thomas David  
Chartered Accountants and  
Statutory Auditors

**Service Charge Statement of Account for Fellowes Plain Estate****For the Accounting Period from 1st January 2016 to 31st December 2016****Income and Expenditure Account**

<u>Repairs &amp; Maintenance</u>	£	Actual £	Budget £
Cleaning Contract		100	1,000
Lift Maintenance		13	500
Fire Equipment Maintenance		150	600
Electrical Maintenance & Repairs		2,863	1,000
General Repairs & Maintenance		2,454	1,500
Pest Control		-	200
Bin Hire Costs		147	102
<u>Grounds Maintenance</u>			
Grounds Maintenance		17,607	23,162
Tree Surgery		-	2,400
<u>Insurance</u>			
Public Liability Insurance		730	756
Buildings Insurance		5,985	6,130
<u>Professional Fees</u>			
Management Fees		8,386	8,386
Company Secretarial Fees		852	852
Accountancy Fees		646	620
Health & Safety		-	500
Business Rates		5,832	4,450
Sundry Expenses		4,018	4,418
Venue Hire		68	100
<u>Utilities</u>			
Electricity		52	500
Water		93	200
<u>Contributions Transferred to Reserve Fund</u>			
Reserve Fund Contribution		40,001	40,000
<b><u>TOTAL EXPENDITURE</u></b>		<b>89,997</b>	<b>97,376</b>
<u>Income</u>			
Service Charges Receivable	57,377		
Reserve Charges Receivable	40,001		
		97,378	
<u>Interest Received</u>			
Bank Interest Received		47	
<u>Other Income</u>		3,992	
<b><u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD</u></b>		<b>11,420</b>	

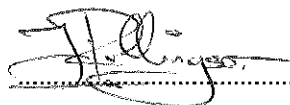
Approved by the Board on 05-MAY-2017 and signed on its behalf by

 Director JAMES ROLLINGSON

Service Charge Statement of Account for Fellowes Plain EstateBalancing Statement as at 31st December 2016

	Notes	£	£
<u>ASSETS</u>			
Service Charges Owed by Tenants			1,877
Sundry Debtors			3,197
Sums Paid in this Period but Relating to Subsequent Periods	4		4,454
Balances Held: Cash at Bank and in Hand	5		103,755
			<hr/>
			113,283
<u>LESS: LIABILITIES</u>			
Costs Relating to this or Previous Period but not Yet Paid	6	3,656	
Sundry Creditors		2,685	
Surplus for the Period to be Credited		11,420	
		<hr/>	17,761
<u>NET ASSETS / (LIABILITIES)</u>			<hr/>
			95,522
 <u>RESERVE FUND</u>	3		63,976
 <u>INCOME &amp; EXPENDITURE RESERVE</u>	8		31,546
			<hr/>
			95,522

Approved by the Board on 05-MAY-2017 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 2016 to 31st December 2016**

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%.

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 2016	25,559	
Reserve Fund Bank Account Interest Received	49	
Reserve Contributions	40,001	
	<hr/>	65,609
Less Expenditure		(1,633)
		<hr/> <u>63,976</u>
Reserve Fund Bank Account Total		67,635
Net Liabilities due from Reserve Funds		(3,659)
Balance Carried Forward as at 31st December 2016		<hr/> <u>63,976</u>

**Notes to Service Charge Statement of Account for Fellowes Plain Estate**  
**For the Accounting Period from 1st January 2016 to 31st December 2016**

4 Sums Paid in this Period but Relating to Subsequent Periods

	£
Lift Maintenance	77
Public Liability Insurance	240
Buildings Insurance	2,699
Business Rates	1,438
	<u>4,454</u>

5 Balances Held: Cash at Bank and in Hand

	£
Cash at Bank and in Hand - Major Works - Section 20	11,287
Cash at Bank and in Hand - Reserve - All Units	56,348
Cash at Bank and in Hand - Service Charge - All Units	32,049
Cash at Bank and in Hand - The Chapel	4,071
	<u>103,755</u>

All bank accounts are held in trust, in interest bearing accounts, 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): 06882272 06882280 06671625 10206266

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

**For the Accounting Period from 1st January 2016 to 31st December 2016**

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

	£
Fire Equipment Maintenance	150
Electrical Maintenance & Repairs	1,616
Bin Hire Costs	29
Grounds Maintenance	1,001
Engineering & Lift Insurance	90
Accountancy Fees	646
Sundry Expenses	(400)
Electricity	413
Water	111
	<u>3,656</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 2016	0
Previous Years Surplus transferred	31,546
Income & Expenditure Reserve Balance as at 31st December 2016	<u>31,546</u>

**Appendix to Service Charge Statement of Account for Fellowes Plain Estate****For the Accounting Period from 1st January 2016 to 31st December 2016**

£

£

**Reserve Fund - All Units**

Balance Brought Forward from 1st January 2016	25,559
Reserve Fund Bank Account Interest Received	49
Reserve Contributions	40,001
Less Expenditure	
Stained Glass Window	(1,633)
	<u>63,976</u>