

Unaudited Service Charge Accounts

For the Year Ended 31 December 2013

for

Netherne Management Limited

Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

Netherne Management Limited

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For the Year Ended 31 December 2013

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Netherne Management Limited

Service Charge Fund Information

For the Year Ended 31 December 2013

MANAGING AGENTS: Stiles Harold Williams
One Jubilee Street
Brighton
East Sussex
BN1 1GE

RELEVANT COMPANY: Netherne Management Limited
One Jubilee Street
Brighton
East Sussex
BN1 1GE

BANKERS:	Barclays Bank 139-142 North Street Brighton East Sussex BN1 1RU	Bath Building Society 15 Queen Square Bath Somerset BA1 2HN	Shawbrook Bank Lutea House The Drive Warley Hill Business Park Brentwood Essex CM13 3BE
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ACCOUNTANTS: A J Wheeler Limited
Chartered Certified Accountants
Unit 5 Links House
Dundas Lane
Portsmouth
Hampshire
PO3 5BL

Netherne Management Limited

Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

Accountants Report of Factual Findings to the Managing Agent of

Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

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 the property. In accordance with 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 3 to 10 in respect of the property for the year ended 31 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 landlord and their 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 Landlord and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Landlord 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 page 8 of the service charge accounts agreed or reconciled to the bank statement for the account 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 8 of the service charge accounts agrees or reconciles to the bank statement for the account in which the funds are held.

Signed: *A J Wheeler*

Date: *31/12/14*

A J Wheeler Limited
Chartered Certified Accountants
Unit 5 Links House
Dundas Lane
Portsmouth
Hampshire
PO3 5BL

Netherne Management Limited
Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

Income and Expenditure Statement - Estate
For the Year Ended 31 December 2013

	Notes	2013 £
INCOME		
Service charges raised		157,186.31
Bank interest received		5,287.88
		<hr/>
Total income receivable		162,474.19
 EXPENDITURE		
Repairs & maintenance		
General repairs & maintenance		3,146.26
Grounds equipment repairs		2,041.91
Landscape maintenance		4,707.84
Mower fuel		1,512.00
Mower lease		5,688.03
Play area equipment		534.54
Snow plough, gritting & salt		4,322.70
Professional fees		
Management fees		45,742.75
Other professional fees		6,280.26
Staff costs		
Staff costs		35,082.66
Sundry expenses		
Office expenses		1,119.52
Sundry expenses		4,896.28
		<hr/>
Total expenditure		115,074.75
		<hr/>
SURPLUS FOR THE PERIOD	5	47,399.44
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The notes form part of these service charge accounts

Netherne Management Limited
Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

Income and Expenditure Statement - Village Hall
For the Year Ended 31 December 2013

	Notes	2013 £
INCOME		
Service charges raised		25,993.00
Hire of village hall		4,487.00
		<hr/>
Total income receivable		30,480.00
 EXPENDITURE		
Repairs & maintenance		
Cleaning		3,208.79
Electrical repairs & testing		1,340.45
Fire extinguishers		130.38
Fire system inspection		2,882.40
General repairs & maintenance		746.78
Lightning protection		98.18
Sanitary services		3,394.78
Utilities		
Electricity		9,870.77
Gas		1,800.25
Non domestic rates		(409.89)
Water		381.24
Professional fees		
Other professional fees		1,494.28
Insurances		
Directors and officers insurance		282.67
Property owners insurance		4,475.34
Staff costs		
Sundries		213.57
		<hr/>
Total expenditure		29,909.99
		<hr/>
SURPLUS FOR THE PERIOD	5	570.01
		<hr/> <hr/>

The notes form part of these service charge accounts

Netherne Management Limited
Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

Income and Expenditure Statement - St Lukes
For the Year Ended 31 December 2013

	Notes	2013 £
INCOME		
Service charges raised		166,972.00
Leisure centre membership		6,410.00
Total income receivable		<u>173,382.00</u>
EXPENDITURE		
Repairs & maintenance		
Access control maintenance		1,380.00
Air handling units		1,157.57
Boiler maintenance & repair		585.00
Cleaning materials		1,145.80
Electrical repairs & testing		1,158.00
Emergency panic alarm		3,060.00
Fire extinguishers		176.94
Fire system inspection		420.00
Fitness equipment servicing		1,875.71
General repairs & maintenance		10,059.26
Gym equipment lease fee		4,997.04
Leisure centre operation		98,249.20
Refuse collection		477.75
Lightning protection		98.18
Pool chemicals/testing tablets		4,004.84
Pool maintenance		7,723.80
Microbiological sampling		2,256.00
Sanitary services		4,113.07
Utilities		
Electricity		7,223.65
Gas		11,129.85
Non domestic rates		469.00
Water		1,566.97
Insurances		
Property owners insurance		5,666.84
Staff costs		
Sundries		1,743.10
Total expenditure		<u>170,737.57</u>
SURPLUS FOR THE PERIOD	5	<u><u>2,644.43</u></u>

The notes form part of these service charge accounts

Netherne Management Limited
Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

Balance Sheet
31 December 2013

	Notes	£	2013	£
FIXED ASSETS				-
CURRENT ASSETS				
Cash at bank and in hand	2	522,979.36		
Debtors	3	214,665.31		
		<u>737,644.67</u>		
CURRENT LIABILITIES				
Creditors	4	29,441.49		
		<u>29,441.49</u>		
NET CURRENT ASSETS				<u>708,203.18</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u><u>708,203.18</u></u>
RESERVES				
Reserve	5			<u>708,203.18</u>
MEMBERS' FUNDS				<u><u>708,203.18</u></u>

We, as managing agents approve the service charge accounts and confirm that we have made available all relevant records and information for their preparation. We confirm that there are no other costs we have been made aware of which need to be brought to your attention that may have been incurred by the freeholder during or relating to the period under review.

Signed:

Date:

Name:

Netherne Management Limited
Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

Notes to the Service Charge Accounts
For the Year Ended 31 December 2013

1. **ACCOUNTING POLICIES**

1.1 **Accounting convention**

The service charge accounts have been prepared in accordance with the terms of the lease and on an accruals basis under the historical cost convention.

2. **CASH AT BANK AND IN HAND**

2013

£

Funds held by managing agent	345,382.93
Bath building society	88,470.36
Shawbrook bank	88,726.07
Petty cash	400.00
	<hr/>
	522,979.36
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All funds are held in a designated client account by the managing agent. The details of the bank with which the account is held is shown on page 1.

3. **DEBTORS**

2013

£

Service charge debtors	182,558.06
Prepaid property owners insurance	5,991.99
Prepaid sanitary services	411.48
Prepaid refuse collection	159.25
Prepaid management fees	12,253.00
Other debtors	13,291.53
	<hr/>
	214,665.31
	<hr/> <hr/>

4. **CREDITORS**

2013

£

Accrued accountancy fees	1,920.00
Accrued cleaning	589.80
Accrued electricity	63.32
Accrued gas	1,374.00
Accrued leisure centre operations	8,125.60
Accrued micro-sampling	372.00
Accrued mower lease	162.00
Accrued pool chemicals	160.37
Accrued property owners insurance	169.60
Accrued water	624.32
Service charges paid in advance	11,783.98
Other creditors	506.00
Owed to landlord	3,590.50
	<hr/>
	29,441.49
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Netherne Management Limited

Netherne on the Hill, Chapel Walk, Coulsdon, Surrey, CR5 1NZ

Notes to the Service Charge Accounts

For the Year Ended 31 December 2013

5. GENERAL RESERVE

	2013
	£
Balance brought forward	679,528.71
Annual surplus from Estate	47,399.44
Annual surplus from Village Hall	570.01
Annual surplus from St Lukes	2,644.43
Monies relating to exit fees	17,944.69
Grant from Sport England	21,176.00
Other rental income received	3,450.00
Interest on late payments	2,576.34
Estate major works	(11,244.00)
Village Hall major works	(27,967.80)
St Lukes major works	(25,984.00)
2012 omitted accruals	(1,345.00)
Bad debt provision	(545.64)
Balance carried forward	<u><u>708,203.18</u></u>