

**Unaudited Service Charge Accounts**

**For the Year Ended 31 December 2022**

**for**

**Netherne Management Limited, Netherne on the Hill**

Netherne Management Limited, Netherne on the Hill

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For the Year Ended 31 December 2022

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Netherne Management Limited, Netherne on the Hill

Service Charge Fund Information  
For the Year Ended 31 December 2022

<b>MANAGING AGENTS AND COMPANY SECRETARY</b>	Stiles Harold Williams (SHW) Lees House, Dyke Road Brighton East Sussex BN1 3FE				
<b>RELEVANT COMPANY</b>	Netherne Management Limited (NML) c/o Stiles Harold Williams Lees House, 21 - 33 Dyke Road Brighton East Sussex BN1 3FE				
<b>COMPANY NUMBER</b>	04026814				
<b>DIRECTORS</b>	SP Buczek, RH Shah, LG Sheldon, LP Ronan, J Stokoe CM Ellis (appointed 22 May 2023)				
<b>BANKERS</b>	<table><tr><td>SHW Client Account Barclays Bank 139-142 North Street Brighton East Sussex BN1 1RU</td><td>Bath Building Society 15 Queen Square Bath Somerset BA1 2HN</td></tr><tr><td>Shawbrook Bank Lutea House The Drive Warley Hill Business Park Brentwood Essex CM13 3BE</td><td>Aldermore Bank 1<sup>st</sup> Floor, Block B Western House Lynch Wood Peterborough PE2 6FZ</td></tr></table>	SHW Client Account 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	Aldermore Bank 1 <sup>st</sup> Floor, Block B Western House Lynch Wood Peterborough PE2 6FZ
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Shawbrook Bank Lutea House The Drive Warley Hill Business Park Brentwood Essex CM13 3BE	Aldermore Bank 1 <sup>st</sup> Floor, Block B Western House Lynch Wood Peterborough PE2 6FZ				
<b>ACCOUNTANTS</b>	Richard Place Dobson Services Limited 1 – 7 Station Road Crawley West Sussex RH10 1HT				

Netherne Management Limited, Netherne on the Hill

Accountant's Report of Factual Findings to the Managing Agent of  
Netherne Management Limited, Netherne on the Hill

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 Netherne Management Limited, Netherne on the Hill. In accordance with our engagement letter dated 11 June 2015, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 5 to 14 in respect of Netherne Management Limited, Netherne on the Hill for the year ended 31 December 2022 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 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 9 of the service charge accounts agreed or reconciled to the bank statements for the accounts 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.

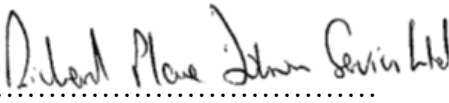
Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, other matters might have come to our attention that would have been reported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

Netherne Management Limited, Netherne on the Hill

Accountant's Report of Factual Findings to the Managing Agent of  
Netherne Management Limited, Netherne on the Hill (contd)

**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 9 of the service charge accounts, reconciles to the bank statement for the accounts in which the funds are held.

Signed:  Date: 20/12/2023

Richard Place Dobson Services Limited  
1 – 7 Station Road  
Crawley  
West Sussex  
RH10 1HT

Netherne Management Limited, Netherne on the Hill  
Income and Expenditure Statement (For the Year Ended 31 December 2022)

	Notes	2022 (£)	2021 (£)	2020 (£)
<b>INCOME</b>				
Service charges raised (budget)		427,238.00	430,376.00	432,963.00
Service charge rebates (budget)		0.00	(51,523.00)	(56,746.00)
Total income receivable		427,238.00	378,853.00	376,217.00
<b>EXPENDITURE</b>				
Repairs & Maintenance		207,420.85	167,042.05	151,316.36
Utilities		82,091.17	36,182.87	34,877.03
Professional and management fees	3	65,703.00	62,443.20	61,491.00
Insurances		35,498.12	31,455.06	28,745.30
Staff costs		60,637.06	54,659.09	50,740.25
Sundry expenses		12,330.34	11,764.16	11,884.92
Total expenditure		463,680.54	363,546.43	339,054.86
<b>(DEFICIT) / SURPLUS FOR THE PERIOD</b>	6	<b>(36,442.54)</b>	<b>15,306.57</b>	<b>37,162.14</b>

The notes form part of these service charge accounts.

A detailed breakdown of the above Income and Expenditure Statement, split between the Estate, the Village Hall and St Luke's Leisure Centre, is shown on the following pages.

	2022 (£)	2021 (£)	2020 (£)
<b>OTHER INCOME</b>			
Monies relating to exit fees	22,338.75	29,900.50	19,123.63
Annual estate rent charges	11,075.00	11,075.00	11,125.00
Bank and Building Society interest	5,677.35	494.67	1,310.01
Sundry Income	0.00	0.00	0.00
Interest on late payments	0.00	0.00	0.00
Telephone mast income	8,958.47	8,958.47	8,958.47
Village hall, pavilion and pool hire	18,054.46	6,759.00	7,393.29
Leisure Centre memberships	17,542.00	8,740.00	6,365.00
Covid support grants from Reigate Council	0.00	27,015.00	35,000.00
Paid from Netherne Community Bus Company	0.00	1,306.20	0.00
Service charges demanded over budget	172.01	10.54	97.70
<b>OTHER EXPENDITURE</b>			
Gym equipment lease fee (refund for 2021)	0.00	400.80	(4,008.00)
Bad debt write off / recognition	0.00	0.00	0.00
Paid to Netherne Community Bus Company	0.00	0.00	(6,000.00)
Estate /Village hall / St Lukes major works	(12,376.00)	(16,110.45)	(9,273.22)
<b>NET OTHER INCOME (EXPENDITURE)</b>	<b>71,442.04</b>	<b>78,549.73</b>	<b>70,091.88</b>

Netherne Management Limited, Netherne on the Hill

Notes to the Income and Expenditure Statement

Detailed Breakdown for the Estate (for the year ended 31 December 2022)

	Notes	2022 (£)	2021 (£)	2020 (£)
<b>INCOME</b>				
Service charges raised (budget)		188,481.00	189,355.00	193,367.00
Service charge rebates (budget)		0.00	(9,264.00)	(5,852.00)
Total income receivable		188,481.00	180,091.00	187,515.00
<b>EXPENDITURE</b>				
<b>Repairs &amp; Maintenance</b>				
Cleaning		2,349.43	1,854.46	1,626.33
Fire alarm system & extinguishers		180.00	304.80	192.00
Electrical repairs & testing		282.00	717.72	160.00
General repairs and maintenance		5,225.39	1,804.10	6,094.72
Grounds equipment repairs		810.76	1,361.24	395.18
Intruder alarm & Redcare connection		790.80	698.40	580.00
Landscape maintenance		7,050.00	8,139.46	26,998.40
Mower fuel		1,858.10	489.15	938.20
Mower lease		10,016.63	10,016.63	9,219.31
Play area equipment		4,299.88	2,940.90	1,699.80
Sanitary Services		860.58	374.40	0.00
<b>Utilities</b>				
Electricity		890.06	796.42	712.45
<b>Professional fees</b>				
Accountancy fee		2,100.00	2,100.00	2,460.00
Management fees	3	58,054.00	56,916.00	56,916.00
Other professional fees	3	4,349.00	3,427.20	2,115.00
<b>Insurances</b>				
Insurances		2,903.05	2,622.97	1,962.66
<b>Staff costs</b>				
Staff costs		60,637.06	54,659.09	50,230.25
Staff training	3	0.00	0.00	150.00
Health & Safety		0.00	0.00	360.00
<b>Sundry expenses</b>				
Office expenses	3	1,388.26	3,406.29	4,770.16
Sundries		8,360.26	7,790.44	6,575.29
Total expenditure		172,405.26	160,419.67	174,155.75
<b>SURPLUS FOR THE PERIOD</b>		<b>16,075.74</b>	<b>19,671.33</b>	<b>13,359.25</b>

Netherne Management Limited, Netherne on the Hill

Notes to the Income and Expenditure Statement

Detailed Breakdown for the Village Hall (for the year ended 31 December 2022)

	Notes	2022 (£)	2021 (£)	2020 (£)
<b>INCOME</b>				
Service charges raised (budget)		36,869.00	36,947.00	39,648.00
Service charge rebates (budget)		0.00	(8,290.00)	(16,040.00)
Total income receivable		36,869.00	28,657.00	23,608.00
<b>EXPENDITURE</b>				
<b>Repairs &amp; Maintenance</b>				
Cleaning and cleaning materials		1,939.76	1,175.90	793.90
Electrical repairs and testing		70.00	729.80	160.00
Fire extinguishers		232.92	0.00	237.72
Fire system inspection		480.00	362.40	120.00
General repairs and maintenance		5,837.58	988.40	1,606.30
Gutter and drain clearance		180.00	0.00	504.00
Hall floor cleaning		1,875.00	1,625.00	0.00
Intruder alarm & Redcare connection		540.00	180.00	380.00
Health & Safety		0.00	0.00	690.00
Lightning protection		582.60	619.20	525.60
Sanitary services		2424.95	1,274.70	339.37
Wall heaters annual service		0.00	714.00	1,275.00
Window cleaning		360.00	360.00	180.00
<b>Utilities</b>				
Electricity		5,231.90	286.75	1,662.08
Gas		2,528.53	817.85	1,070.12
Non domestic rates		2,556.70	684.31	0.00
Water		804.82	748.73	425.34
<b>Professional fees</b>				
Other professional fees	3	600.00	0.00	0.00
<b>Insurances</b>				
Property owners insurance		13,724.37	12,139.92	11,276.90
<b>Sundry expenses</b>				
Sundries		0.00	112.80	288.40
Total expenditure		39,969.13	22,819.76	21,534.73
<b>SURPLUS FOR THE PERIOD</b>		<b>(£3,100.13)</b>	<b>5,837.24</b>	<b>2,073.27</b>

The notes form part of these service charge accounts.



Netherne Management Limited, Netherne on the Hill

Notes to the Income and Expenditure Statement

Detailed Breakdown for St Luke's (for the year ended 31 December 2022)

	Notes	2022 (£)	2021 (£)	2020 (£)
<b>INCOME</b>				
Service charges raised (budget)		201,888.00	204,074.00	199,948.00
Service charge rebates (budget)		0.00	(33,969.00)	(34,854.00)
Total income receivable		201,888.00	170,105.00	165,094.00
<b>EXPENDITURE</b>				
<b>Repairs &amp; Maintenance</b>				
Access control & IT Turnstyle		2,267.27	3,230.85	2,338.68
Air handling units		0.00	131.76	2,158.87
Boiler maintenance and repair		0.00	1,026.00	582.00
Cleaning		1,162.50	0.00	0.00
Cleaning materials		3,018.06	1,727.35	1,834.36
Electrical repairs and testing		70.00	1,053.25	944.32
Emergency panic alarm		1,903.20	583.20	1,123.20
Fire extinguishers		0.00	0.00	1,050.00
Fire system inspection		360.00	376.80	120.00
Fitness equipment servicing		1,400.65	1,359.85	656.24
General repairs and maintenance		6,868.94	7,447.82	6,787.01
Gutter and drain clearance		200.00	0.00	0.00
Intruder alarm & Redcare connection		360.00	2,712.00	380.00
Health & Safety		0.00	543.24	360.00
Leisure centre operation		123,078.14	93,162.90	62,764.00
Lightning protection		110.40	110.40	110.40
Microbiological sampling		1,510.80	1,638.00	2,712.00
Pool chemicals/testing tablets		3,661.51	3,045.64	4,497.25
Pool maintenance		10,734.64	8,057.26	4,612.29
Refuse collection		852.80	852.80	785.15
Roof mounted gas heaters		342.00	0.00	2,056.80
Sanitary services		1666.36	2,792.27	497.96
Window cleaning		460.00	460.00	230.00
<b>Utilities</b>				
Electricity		30,240.32	17,760.87	20,561.99
Gas		25,086.70	10,058.00	7,307.08
Non domestic rates		8,919.00	2,386.83	737.00
Water		4,980.34	2,643.11	2,400.97
<b>Professional fees</b>				
Other professional fees	3	600.00	0.00	0.00
<b>Insurances</b>				
Property owners insurance		18,870.70	16,692.17	15,505.74
<b>Sundry expenses</b>				
Sundries		2,581.82	454.63	251.07
Total expenditure		251,306.15	180,307.00	143,364.38
<b>SURPLUS FOR THE PERIOD</b>		<b>(49,418.15)</b>	<b>(10,202.00)</b>	<b>21,729.62</b>

Netherne Management Limited, Netherne on the Hill

Balance Sheet for the year ended 31 December 2022

	Notes	At 31.12.22 (£)	At 31.12.21(£)	At 31.12.20(£)
<b>FIXED ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash at bank and in hand	2	618,350.67	566,038.45	470,339.29
Debtors	4	42,995.72	60,049.69	36,522.68
		<u>661,346.39</u>	<u>626,088.14</u>	<u>506,861.97</u>
<b>CURRENT LIABILITIES</b>				
Creditors	5	76,751.18	76,492.13	(50,875.71)
<b>NET CURRENT ASSETS</b>		584,595.21	549,595.71	455,986.26
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>584,595.21</u>	<u>549,595.71</u>	<u>455,986.26</u>
<b>RESERVES</b>				
Reserve	6	584,595.21	549,595.71	455,986.26
<b>MEMBERS' FUNDS</b>		<u><b>584,595.21</b></u>	<u><b>549,595.71</b></u>	<u><b>455,986.26</b></u>

The notes form part of these service charge accounts.

This s  has been approved by Teresa Scott for Stiles Harold Williams:

Signe ..... Date: 20.12.23 .....

Name: TERESA SCOTT

Stiles Harold Williams  
Lees House, 21 - 33 Dyke Road  
Brighton  
East Sussex  
BN1 3FE

Netherne Management Limited, Netherne on the Hill  
Notes to the Service Charge Accounts  
For the Year Ended 31 December 2022

**1. ACCOUNTING POLICIES / CONVENTION**

- 1.1 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.
- 1.2 Income is recognised in the period to which it relates and is recognised in the income and expenditure account of the entity it is paid to, when the revenue has been earned.
- 1.3 The general reserve represents the funds available to be spent on the day to day activities of the management company.
- 1.4 Service charge monies are held on trust in accordance with section 42 of the Landlord and Tenant Act 1987. Interest earned on service charge monies held on deposit is taxable at the basic rate of tax. The rate that applied for 2022 was 20% (2021 – 20%).

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

	At 31.12.22(£)	At 31.12.21(£)	At 31.12.20(£)
Funds held by managing agent	450,634.93	399,469.43	304,264.94
Bath Building Society	77,266.91	76,982.71	76,944.24
Shawbrook Bank	10,661.41	10,598.89	10,536.72
Aldermore Bank	79,387.40	78,587.42	78,193.39
Petty cash	400.00	400.00	400.00
	<b>618,350.67</b>	<b>566,038.45</b>	<b>470,339.29</b>

The funds held by the managing agent are held in a designated client account. Details of the bank with which the account is held are shown on page 2.

**3. RELATED PARTY TRANSACTIONS**

During 2022, the following payments were made to the managing agent and company secretary – Stiles Harold Williams. Prior year figures are also shown for comparison.

	2022 (£)	2021 (£)	2020 (£)
Management fee	58,054.00	56,916.00	56,916.00
Company Secretary fee	1,200.00	1,200.00	1,200.00
Annual Return	60.00	0.00	0.00
	<b>59,314.00</b>	<b>58,116.00</b>	<b>58,116.00</b>

Netherne Management Limited, Netherne on the Hill  
Notes to the Service Charge Accounts  
For the Year Ended 31 December 2022

**4. DEBTORS**

	At 31.12.22 (£)	At 31.12.21 (£)	At 31.12.20 (£)
Service charge debtors	17,008.04	16,841.06	8,686.88
Recoverable legal costs	185.88	887.50	640.00
Estate rent debtors	342.22	3,125.00	75.00
Telephone mast rent due on 23 December	0.00	8,958.47	8,958.47
Prepaid SHW Management Fee	2,903.00	0.00	0.00
Prepaid directors insurance	262.11	262.11	262.11
Prepaid property owners insurance	22,096.26	19,231.93	17,255.61
Prepaid TV licenses	198.21	198.21	196.34
SHW Bank	0.00	10,545.41	0.00
	<b>42,995.72</b>	<b>60,049.69</b>	<b>36,522.68</b>

Netherne Management Limited, Netherne on the Hill  
Notes to the Service Charge Accounts  
For the Year Ended 31 December 2022

**5. CREDITORS**

	At 31.12.22 (£)	At 31.12.21(£)	At 31.12.20(£)
Accrued cleaning / cleaning materials	2,049.85	419.56	95.52
Accrued sanitary services	831.80	0.00	0.00
Accrued fire alarms testing / extinguishers	0.00	0.00	300.00
Accrued landscape maintenance	528.00	300.00	1,872.00
Accrued leisure centre operations	12,066.62	8,914.62	0.00
Accrued microbiological sampling	0.00	372.00	288.00
Accrued pool maintenance	4,901.76	927.26	0.00
Accrued access control maintenance	0.00	521.89	143.89
Accrued PAT testing	282.00	70.00	195.00
Accrued health & safety	0.00	543.24	0.00
Accrued intruder alarms	0.00	518.40	0.00
Accrued gutter and drain clearance	0.00	0.00	216.00
Accrued repair costs	0.00	0.00	1,625.02
Accrued non domestic rates	964.00	0.00	0.00
Accrued electricity	6,775.60	340.05	125.19
Accrued gas	3,025.91	9,344.35	338.23
Accrued water	167.46	816.12	166.30
Accrued accountancy	4,200.00	2,100.00	2,100.00
Accrued professional fees	1,800.00	2,227.20	0.00
Accrued office expenses	150.37	1,110.20	0.00
Accrued sundry expenses	0.00	218.55	388.46
Service charges paid in advance	39,007.81	47,748.69	42,482.10
	<b>76,751.18</b>	<b>76,492.13</b>	<b>50,875.71</b>

Netherne Management Limited, Netherne on the Hill  
Notes to the Service Charge Accounts  
For the Year Ended 31 December 2022

**6. RESERVES**

General Reserves

The general reserve fund has been established to meet the cost of large, non-regular repair and maintenance work, and the costs of improvements to the Estate, Pavilion, Village Hall and Leisure Centre. Such costs are not met from budgeted service charge income.

	2022 (£)	2021 (£)	2020 (£)
Balance brought forward from previous year	514,595.71	435,986.26	348,728.80
Surplus from Income and Expenditure Statement	(36,442.54)	15,306.57	37,162.14
Transfer to 'Other Reserves'	(15,000.00)	(15,000.00)	(20,000.00)
Covid support grants from Reigate Council	0.00	27,015.00	35,000.00
Paid to/from Netherne Community Bus Co *	0.00	1,306.20	(6,000.00)
Monies relating to exit fees	22,338.75	29,900.50	19,123.63
Annual estate rent charges	11,075.00	11,075.00	11,125.00
Bank and Building Society interest	5,677.35	494.67	1,310.01
Sundry Income	0.00	0.00	0.00
Interest on late payments	0.00	0.00	0.00
Telephone mast income	8,958.47	8,958.47	8,958.47
Village hall, pavilion and pool hire	18,054.46	6,759.00	7,393.29
Leisure Centre memberships	17,542.00	8,740.00	6,365.00
Gym equipment lease fee **	0.00	400.80	(4,008.00)
Bad debt write off / recognition	0.00	0.00	0.00
Estate / Village hall / St Lukes major works	(12,376.00)	(16,110.45)	(9,273.22)
Service charges demanded over budget	172.01	10.54	97.70
Year end adjustment	0.00	(246.85)	3.44
General Reserves carried forward at Year	<b>534,595.21</b>	<b>514,595.71</b>	<b>435,986.26</b>

\* Amount for 2021 includes £981.20 from NCBC following the wind up of that Company, and £325 corporation tax refund from HMRC (in respect of NCBC).

\*\* The gym equipment lease fee was not part of the budgeted service charge expenditure, but expected to be covered from the income from Leisure Centre memberships.

Netherne Management Limited, Netherne on the Hill  
Notes to the Service Charge Accounts  
For the Year Ended 31 December 2022

**6. RESERVES (continued)**

Other General Reserves

	2022 (£)	2021 (£)	2020 (£)
Balance brought forward from previous year	35,000.00	20,000.00	0.00
Transfer from General Reserves	15,000.00	15,000.00	20,000.00
Other General Reserves c/f at Year End	<b>50,000.00</b>	<b>35,000.00</b>	<b>20,000.00</b>
<b>Total Reserves carried forward at Year End</b>	<b>584,595.21</b>	<b>549,595.71</b>	<b>455,986.26</b>

The “Other General Reserves” fund has exactly the same purpose as the General Reserves Fund, namely to meet the cost of large, non-regular repair and maintenance work, and the costs of improvements to the Estate, Pavilion, Village Hall and Leisure Centre. Our accountants have advised that the “Other General Reserves” fund, originating from the contribution to reserves line in service charge budgets, should be shown separately to the General Reserves Fund.