

ST. GEORGE'S FIELDS
SERVICE CHARGE STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2018

ST. GEORGE'S FIELDS

SERVICE CHARGE STATEMENTS

| | | |
|-------|-------|------------------------------------|
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**INDEPENDENT ACCOUNTANT'S REPORT TO THE LANDLORD
OF ST. GEORGE'S FIELDS**

YEAR ENDED 31 DECEMBER 2018

In accordance with our engagement letter, we have examined the service charge statement of account set out on pages 2 to 5 in respect of St. George's Fields for the year ended 31 December 2018 together with the books and records in so far as they relate to St. George's Fields.

This report is made to the Landlord for issue with the service charge statement in accordance with Section 21 of the Landlord and Tenant Act 1985. 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.

Under the terms of this engagement, we are not required to, and did not, form any opinion as to either the reasonableness of the costs included within the service charge statement or the standard of the services or works provided.

Respective responsibilities of the landlord and independent accountant


Under the Landlord and Tenant Act 1985, the Landlord is responsible for the preparation of this service charge statement in respect of the costs in respect of St. George's Fields. It is our responsibility to form an independent opinion, based on our examination, on the service charge statement and to report our opinion exclusively to the Landlord.

Basis of opinion

We planned and performed our examination so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the service charge statement is a fair summary of the costs relating to St. George's Fields and is sufficiently supported by accounts, receipts and other documents which have been made available to us. In view of the purpose for which this service charge statement has been prepared, however, we did not evaluate the overall adequacy of the presentation of the information which would have been required if we were to express an audit opinion under International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

We certify that:-

- (a) In our opinion the service charge statement is a fair summary complying with the requirements of Section 21(5) of the Landlord and Tenant Act 1985.
- (b) The summary is sufficiently supported by accounts, receipts and other documents which have been produced to us.



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Simpson Wreford & Partners
Registered Auditor
Suffolk House
George Street
Croydon CR0 0YN

Date - 8th May 2019

ST. GEORGE'S FIELDS
DETAILED SERVICE CHARGE ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 2018

| | (a) | (b) | (c) | (d) | (e) | (f) | Total 2018 | Budget 2018 | Total 2017 |
|--------------------------------|---------------|-----------------|----------------|-----------------|--------------|--------------|----------------|----------------|----------------|
| SERVICE CHARGE OUTGOINGS | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Lift costs | | | | | | | | | |
| Maintenance contract | - | (552) | 7,820 | - | 552 | - | 7,820 | | |
| Repairs | - | - | 131 | - | - | - | 131 | | |
| Insurance | 2,317 | - | 2,405 | (2,405) | - | - | 2,317 | | |
| Telephone | - | (60) | 646 | - | - | 60 | 646 | | |
| | | | | | | | 10,914 | 16,000 | 14,054 |
| Garden expenses | | | | | | | | | |
| Maintenance contracts | - | - | 62,363 | - | - | - | 62,363 | | |
| New planting | - | - | 6,141 | - | 7,187 | - | 13,328 | | |
| Tree surgery | - | - | 5,700 | - | - | - | 5,700 | | |
| Fish ponds | - | - | 1,163 | - | - | - | 1,163 | | |
| Other gardening costs | - | - | 7,452 | - | - | - | 7,452 | | |
| | | | | | | | 90,006 | 105,000 | 133,044 |
| Cleaning | | | | | | | | | |
| Wages and employment costs | - | - | 76,016 | - | - | - | 76,016 | | |
| Consumables | 656 | - | 12,303 | (2,500) | 16 | - | 10,475 | | |
| Equipment | - | (1,564) | 7,077 | - | - | - | 5,513 | | |
| Waste disposal costs | - | - | 4,821 | - | - | - | 4,821 | | |
| | | | | | | | 96,825 | 101,000 | 92,263 |
| Decorating | | | | | | | | | |
| Wages and employment costs | - | - | 39,346 | - | - | - | 39,346 | | |
| Paint and supplies | - | - | 4,409 | - | - | - | 4,409 | | |
| | | | | | | | 43,755 | 56,000 | 26,867 |
| Security | | | | | | | | | |
| Gate maintenance | - | - | 7,894 | - | 400 | - | 8,294 | | |
| CCTV | - | - | 1,111 | - | - | - | 1,111 | | |
| | | | | | | | 9,405 | 10,000 | 10,209 |
| Legal and professional | | | | | | | | | |
| Surveyors' and related fees | - | - | 3,984 | - | - | - | 3,984 | | |
| Legal and professional fees | 4,858 | - | 12,894 | (10,579) | - | - | 7,173 | | |
| Independent accountant's fee | - | (4,700) | 5,130 | - | - | 4,700 | 5,130 | | |
| | | | | | | | 16,287 | 24,000 | 23,474 |
| Electrical and lighting | | | | | | | | | |
| Electricity | - | 495 | 21,889 | - | (495) | - | 21,889 | | |
| Testing repairs and renewals | - | - | 6,579 | - | - | - | 6,579 | | |
| New lighting | - | - | - | - | - | - | - | | |
| | | | | | | | 28,468 | 27,000 | 31,840 |
| Repairs and renewals | | | | | | | | | |
| General repair costs | 1,389 | (5,188) | 58,052 | - | 2,271 | - | 56,524 | | |
| Drainage | - | - | 688 | - | - | - | 688 | | |
| Balcony repairs | - | - | 16,044 | - | - | - | 16,044 | | |
| Roadways | - | - | 6,679 | - | - | - | 6,679 | | |
| TV aerial maintenance | 2,400 | - | 4,745 | (2,400) | - | - | 4,745 | | |
| Fire protection system costs | - | - | 21,938 | - | - | - | 21,938 | | |
| | | | | | | | 106,618 | 106,000 | 84,015 |
| Bank | | | | | | | | | |
| Bank charges | - | - | 294 | - | - | - | 294 | 2,500 | 279 |
| Carry forward total | 11,620 | (11,569) | 405,714 | (17,884) | 9,931 | 4,760 | 402,572 | 447,500 | 416,045 |

ST. GEORGE'S FIELDS
DETAILED SERVICE CHARGE ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 2018 - continued

| | (a) | (b) | (c) | (d) | (e) | (f) | | Total 2018 | Budget 2018 | Total 2017 |
|---|---------------|-----------------|----------------|-----------------|---------------|--------------|---------------|----------------|----------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Brought forward total | 11,620 | (11,569) | 405,714 | (17,884) | 9,931 | 4,760 | | 402,572 | 447,500 | 416,045 |
| Insurance | | | | | | | | | | |
| Buildings | - | - | 48,176 | - | - | - | 48,176 | | | |
| Terrorism | - | - | 34,251 | - | - | - | <u>34,251</u> | 82,427 | 85,000 | 78,187 |
| Office and administration | | | | | | | | | | |
| Salaries and employment costs | 2,408 | (313) | 108,965 | (2,492) | 545 | - | 109,113 | | | |
| Rates | - | - | 191 | - | - | - | 191 | | | |
| Telephone | - | (200) | 1,474 | - | - | 200 | 1,474 | | | |
| Stationery and postage | - | - | 1,786 | - | - | - | 1,786 | | | |
| Computer expenses | 1,266 | 154 | 3,557 | (1,351) | (154) | - | 3,472 | | | |
| Sundries | - | (42) | 4,487 | - | - | - | <u>4,445</u> | 120,481 | 103,000 | 113,764 |
| Total | 15,294 | (11,970) | 608,601 | (21,727) | 10,322 | 4,960 | | <u>605,480</u> | <u>635,500</u> | <u>607,996</u> |
| SERVICE CHARGES RAISED FOR YEAR | | | | | | | | 835,499 | 835,500 | 812,501 |
| Interest receivable net of taxation | | | | | | | | <u>5,522</u> | - | <u>4,875</u> |
| | | | | | | | | 841,021 | 835,500 | 817,376 |
| Transfer to St. George's Fields Reserve Fund | | | | | | | | <u>235,541</u> | <u>200,000</u> | <u>209,380</u> |

RESERVE ACCOUNT EXPENDITURE
FOR THE YEAR ENDED 31st DECEMBER 2018

RESERVE ACCOUNT OUTGOINGS

| | | | | | | | | | | |
|---------------------------|---|---------|---------|---|---|---|---------------|----------------|---|----------------|
| Major works - Contractors | - | (5,292) | 140,324 | - | - | - | 135,032 | | | |
| Major works - Fees | - | - | 51,430 | - | - | - | <u>51,430</u> | | | |
| | - | (5,292) | 191,754 | - | - | - | | <u>186,462</u> | - | <u>257,251</u> |

The major works carried out in the year were the South Rise lift modernisation, concrete repairs and consultancy fees in preparation for the LV electrical renewal project.

ST. GEORGE'S FIELDS
DETAILED SERVICE CHARGE ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 2018 - continued

NOTES**1. Analysis of Expenditure**

Total expenditure shown in the service charge account has been analysed as follows:

| | |
|---|-----------------------------|
| Column (a) are those costs paid in the previous year but relating to this period. | b/f prepayments |
| Column (b) are those costs paid in this year but relating to the previous year. | b/f accruals and provisions |
| Column (c) are those costs incurred which have been demanded and paid within the year. | |
| Column (d) are those costs paid in the year, but relating to the next period. | c/f prepayments |
| Column (e) are those costs incurred where a demand for payment from the supplier of services etc. has been received by the Landlord within the year, but remained unpaid at the year end. | c/f accruals |
| Column (f) are those costs incurred where no demand for payment from the suppliers of services etc. has been received by the Landlord within the year. | c/f accruals |

2. The service charge money is held in accounts with Barclays Bank plc in a treasury deposit account, a current account and a reserve account, all of which are designated as held in trust for lease holders in accordance with section 42 of the Landlord & Tenants Act 1987.

ST. GEORGE'S FIELDS

SERVICE CHARGE TRUST FUND BALANCE SHEET AT 31st DECEMBER 2018

| | 2018 | | 2017 | |
|--|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| CURRENT ASSETS | | | | |
| Service charges recoverable | 3,228 | | 1,360 | |
| Other debtors | 3,813 | | - | |
| Prepayments | 21,727 | | 15,294 | |
| Cash at bank and in hand | <u>1,232,888</u> | | <u>1,184,107</u> | |
| | 1,261,655 | | 1,200,761 | |
| CREDITORS: | | | | |
| Service charges received in advance | 23,786 | | 16,730 | |
| Taxation and social security | 9,902 | | 7,627 | |
| Other creditors | 581 | | 1,409 | |
| Accruals | <u>15,282</u> | | <u>11,970</u> | |
| | 49,551 | | 37,736 | |
| NET CURRENT ASSETS | | <u>1,212,104</u> | | <u>1,163,025</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,212,104</u> | | <u>1,163,025</u> |
| RESERVES | | | | |
| Balance bought forward | | 1,163,025 | | 1,210,896 |
| Added in year | 841,021 | | 817,376 | |
| Service charge expenditure in year | <u>(605,480)</u> | | <u>(607,996)</u> | |
| | | 235,541 | | 209,380 |
| | | 1,398,566 | | 1,420,276 |
| Reserve account expenditure in year | | <u>(186,462)</u> | | <u>(257,251)</u> |
| Balance carried forward | | <u>1,212,104</u> | | <u>1,163,025</u> |

ST. GEORGE'S FIELDS
SERVICE CHARGE ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 2018

| | 2018 | | 2017 | |
|--|---------------|--------------|---------------|--------------|
| SERVICE CHARGE INCOME | £ | £ | £ | £ |
| Service charges receivable | | 835,499 | | 812,501 |
| Interest receivable - net of trust tax | | <u>5,522</u> | | <u>4,875</u> |
| | | 841,021 | | 817,376 |
| SERVICE CHARGE OUTGOINGS | | | | |
| Lift costs | | | | |
| Maintenance contract | 7,820 | | 10,977 | |
| Repairs | 131 | | 170 | |
| Insurance | 2,317 | | 2,263 | |
| Telephone | <u>646</u> | | <u>644</u> | |
| | | 10,914 | | 14,054 |
| Garden expenses | | | | |
| Maintenance contracts | 62,363 | | 61,703 | |
| New planting | 13,328 | | 37,390 | |
| Tree surgery | 5,700 | | 20,928 | |
| Fish ponds | 1,163 | | 2,076 | |
| Other gardening costs | <u>7,452</u> | | <u>10,947</u> | |
| | | 90,006 | | 133,044 |
| Cleaning | | | | |
| Wages and employment costs | 76,016 | | 73,006 | |
| Consumables | 10,475 | | 10,184 | |
| Equipment | 5,513 | | 5,629 | |
| Waste disposal costs | <u>4,821</u> | | <u>3,445</u> | |
| | | 96,825 | | 92,264 |
| Decorating | | | | |
| Wages and employment costs | 39,346 | | 25,105 | |
| Paint and supplies | <u>4,409</u> | | <u>1,762</u> | |
| | | 43,755 | | 26,867 |
| Security | | | | |
| Gate maintenance | 8,294 | | 6,220 | |
| CCTV | <u>1,111</u> | | <u>3,989</u> | |
| | | 9,405 | | 10,209 |
| Insurance | | | | |
| Buildings | 48,176 | | 45,575 | |
| Terrorism | <u>34,251</u> | | <u>32,611</u> | |
| | | 82,427 | | 78,186 |
| Sub-total expenditure | | 333,332 | | 354,624 |

ST. GEORGE'S FIELDS
SERVICE CHARGE ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER 2018 - continued

| | 2018 | | 2017 | |
|---|---------|---------|---------|---------|
| | £ | £ | £ | £ |
| Total expenditure from previous page | | 333,332 | | 354,624 |
| Legal and professional | | | | |
| Surveyors' and related fees | 3,984 | | 9,399 | |
| Legal and other professional fees | 7,173 | | 8,765 | |
| Independent accountant's fee | 5,130 | | 5,310 | |
| | | 16,287 | | 23,474 |
| Bank | | | | |
| Bank charges | | 294 | | 279 |
| Electrical and lighting | | | | |
| Electricity consumption | 21,889 | | 16,570 | |
| Testing, repairs and renewals | 6,579 | | 11,040 | |
| New lighting | - | | 4,230 | |
| | | 28,468 | | 31,840 |
| Repairs and renewals | | | | |
| General repair costs | 56,524 | | 51,870 | |
| Drainage | 688 | | 9,313 | |
| Balcony works | 16,044 | | 4,284 | |
| Roadways | 6,679 | | 1,204 | |
| TV aerial maintenance | 4,745 | | 3,600 | |
| Fire protection system costs | 21,938 | | 13,744 | |
| | | 106,618 | | 84,015 |
| Office and administration | | | | |
| Salaries and employment costs | 109,113 | | 104,259 | |
| Rates | 191 | | 186 | |
| Telephone | 1,474 | | 2,286 | |
| Stationery and postage | 1,786 | | 2,086 | |
| Sundry expenses | 4,445 | | 4,013 | |
| Computer expenses | 3,472 | | 934 | |
| | | 120,481 | | 113,764 |
| Total service and management costs | | 605,480 | | 607,996 |
| Transfer to St.George's Fields Reserve Fund | | 235,541 | | 209,380 |
| Major works | 186,462 | 186,462 | 257,251 | 257,251 |