

**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(2) 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.

Simpson Wroford & Partners

Simpson Wroford & 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	Vari- 2017
SERVICE CHARGE ACCOUNTING	£	£	£	£	£	£	£	£	£
Life costs									
Maintenance contract	-	(552)	7,820	-	552	-	7,820		
Repairs	-	-	131	-	-	-	131		
Insurance	2,317	-	3,405	(2,405)	-	-	2,317		
Telephone	-	(60)	646	-	-	60	646		
							<u>16,914</u>	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		
Flah ponds	-	-	1,163	-	-	-	1,163		
Other gardening costs	-	-	7,452	-	-	-	7,452		
							<u>90,006</u>	105,000	137,044
Cleaning									
Wages and employment costs	-	-	76,016	-	-	-	76,016		
Consumables	656	-	12,203	(2,500)	16	-	10,475		
Equipment	-	(1,564)	7,077	-	-	-	5,513		
Waste disposal costs	-	-	4,821	-	-	-	4,821		
							<u>96,825</u>	101,000	92,263
Decorating									
Wages and employment costs	-	-	39,346	-	-	-	39,346		
Paint and supplies	-	-	4,409	-	-	-	4,409		
							<u>43,755</u>	56,000	26,867
Security									
Gate maintenance	-	-	7,894	-	450	-	8,294		
CCTV	-	-	1,111	-	-	-	1,111		
							<u>9,405</u>	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	-	(1,700)	5,130	-	-	4,700	5,130		
							<u>16,287</u>	24,000	20,474
Electrical and lighting									
Electricity	-	495	21,889	-	(495)	-	21,889		
Testing repairs and renewals	-	-	6,579	-	-	-	6,579		
New lighting	-	-	-	-	-	-	-		
							<u>28,468</u>	27,000	31,840
Repairs and renewals									
General repair costs	1,389	(5,185)	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		
							<u>106,618</u>	106,000	84,015
Bark									
Bark charges	-	-	294	-	-	-	294	2,500	279
Carry forward total	11,620	(11,569)	405,714	(17,684)	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)		Year 2018	Budget 2018	Total 2017
	£	£	£	£	£	£	£	£	£	£
Brought forward total	11,620	(11,569)	405,714	(17,884)	9,931	4,760		401,572	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	-	108,113			
Rates	-	-	191	-	-	-	191			
Telephone	-	(200)	1,474	-	-	200	1,474			
Stationery and postage	-	-	1,786	-	-	-	1,786			
Computer expenses	1,266	154	2,557	(1,351)	(154)	-	3,472			
Supplies	-	(21)	4,487	-	-	-	<u>4,466</u>			
								120,481	103,000	113,764
Total	15,294	(11,970)	608,601	(21,727)	10,322	4,960		605,480	635,500	607,996
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								235,541	200,000	209,380

RESERVE ACCOUNT EXPENDITURE
FOR THE YEAR ENDED 31st DECEMBER 2018

RESERVE ACCOUNT OUTGOINGS

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

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 brought 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