

# St George's Fields w2

AGM 2024 – Financials for the year 2023

# Agenda

- **St George's Fields' 4 Accounts**
- **Major Works Summary and Progress**
- **Sales & Lettings**

# St George's Fields' 4 Accounts

- Service Charge Account (Inter-day)
- SGF Ltd (Freeholder)
- SGF2 Ltd (Sales & Lettings)
- Reserves Fund (Major Works)

# Service Charge Account

The Service Charges collected used for day-to-day running of SGF Estate

Service Charge Account	2023 (£)	2022 (£)	Change (%)
<b>Service Charges</b>	<b>1,039,410</b>	<b>982,651</b>	<b>5.8</b>
Lifts	(18,905)	(14,078)	34.3
Gardens	(136,927)	(119,446)	14.6
Cleaning	(121,586)	(114,244)	6.4
Decorating	(39,205)	(34,615)	13.3
Security	(10,769)	(5,092)	111.5
Insurance	(164,588)	(151,703)	8.5
Legal, Professional & Banking	(37,387)	(29,175)	28.1
Electrical & Lighting	(72,149)	(55,710)	29.5
Repairs & Renewals	(122,401)	(87,796)	39.4
Office Administration	(139,149)	(128,816)	8.0
<b>Total Outgoings</b>	<b>(863,067)</b>	<b>(740,675)</b>	<b>16.5</b>
<b>Transfer into Reserves Fund</b>	<b>176,343</b>	<b>241,976</b>	<b>(27.1)</b>

# Service Charge Account

## Summary

**Total outgoings** for 2023 were at budget, with overall costs within 99 per cent of the original budget set of £1,036,500.

Across most budget lines, costs were actually largely kept to previous years. Nonetheless:

- **Lifts** – the maintenance contract increased in line with inflation (CPI of 7.3 per cent over 2023), however, an expensive repair to the North Rise lift incurred additional costs;
- **Gardens** – the newly tendered maintenance contract for the gardens commenced in 2023H2;
- **Insurance** – while claims against the policy continue to be low in line with previous years, the insurance market as a whole nonetheless increases with inflation (as it is directly affected by building costs);
- **Legal** – an updated Risk Review and fees in relation to both a new 5-year HR advice contract and the new Building Safety Act all incurred additional costs;
- **Electrical & lighting** – while general consumption remains in line with previous years, emergency lighting installations incurred additional costs;
- **Repairs** – general repairs remain in line with previous years, however, necessary expenditure on both roadway repairs and fire protection incurred additional costs.

# SGF Ltd

SGF Ltd is the Freeholder company of which each Leaseholder owns a share

Income Statement	2023 (£)	2022 (£)	Change (%)
<b>Retained Current Assets</b>	<b>508,040</b>	<b>607,633</b>	(16.4)
Income	42,388	69,825	(39.3)
Dividend from SGF2 Ltd	40,000	40,000	0.0
Outgoings	(232,944)	(218,568)	6.6
<b>Trading Outcome</b>	<b>(150,556)</b>	<b>(108,743)</b>	<b>38.5</b>
Bequests	-	9,150	(100.0)
<b>Net Retained Current Assets</b>	<b>357,484</b>	<b>508,040</b>	<b>(29.6)</b>

Income Statement	2023 (£)	2022 (£)	Change (%)
Property Revaluations	(270,000)	30,000	(1000.0)

# SGF Ltd

## Summary

- **Income** – SGF Ltd draws rental income from across its 4 owned properties, alongside administration fees and licence fees. Income in 2023 decreased due to rent not received: i) during a short period while 1 flat was briefly unoccupied, and; ii) from arrears while an ongoing legal process for eviction of 1 flat is separately concluded.
- **Dividend** – SGF Ltd also enjoys a dividend from SGF2 Ltd, where strong performance in 2023 allowed for a further £40,000 dividend receipt.
- **Outgoings** – while core outgoings are in line with previous years, these were also used to support **Major Works** alongside the accrual of bad debt on 1 rental flat which has been provisioned.
- **Property Revaluations** – downturns in 2023 across the property market has meant a notional decrease in SGF Ltd's owned property values of 9.6 per cent (after a 1.1 per cent increase during 2022).
- **Net Retained Current Assets** – SGF Ltd's cash at bank has previously generously benefited from bequests and its legacy flat.

# SGF<sub>2</sub> Ltd

Sales & Lettings business  
wholly owned by SGF

Income Statement	2023 (£)	2022 (£)	Change (%)	
<b>Retained Earnings</b>	<b>24,255</b>	<b>28,763</b>	<b>(15.7)</b>	
Turnover	204,954	191,807	6.9	
Outgoings	(152,260)	(147,875)	3.0	
<b>Profit before Tax</b>	<b>52,648</b>	<b>43,917</b>	<b>19.9</b>	
Tax	(3,869)	(8,425)	(54.1)	
<b>Profit after Tax</b>	<b>49,661</b>	<b>35,492</b>	<b>39.9</b>	
Dividend	(40,000)	(40,000)	0.0	
<b>Net Retained Earnings</b>	<b>33,916</b>	<b>24,255</b>	<b>39.8</b>	
Turnover Volumes	New Sales		New Lettings	
	SGF <sub>2</sub>	Other Agents	SGF <sub>2</sub>	Other Agents
<b>2022</b>	<b>2</b>	<b>3</b>	<b>25</b>	<b>5</b>
<b>2023</b>				



# SGF<sub>2</sub> Ltd

Sales & Lettings business  
wholly owned by SGF

- **Turnover** – SGF<sub>2</sub> Ltd saw a slight 7 per cent increase in income in 2023 due to increased sales and lettings values (in line with the wider sales and lettings market) and stronger sales volumes.
- **Outgoings** – core outgoings are in line with previous years.
- **Dividend** – this stronger performance has similarly allowed for a stable dividend (after taxed profits) to SGF Ltd in 2023 of £40,000.

# Reserves Fund

Major Works are paid for as necessary from the Reserves Fund

- The independent Asset Management Review (AMR) highlighted SGF's capital requirements in setting out future **Major Works** needed across the Estate.
- The **Service Charge Account** is therefore budgeted to normally transfer in £225,000 per year into the **Reserves Fund**.
- Careful cost management against the original **Service Charge Account** budget alongside a below-inflationary increase allowed for an additional £175,000 to be transferred into the **Reserves Fund** in 2023.

Income Statement	2023 (£)	2022 (£)	Change (%)
<b>Retained Balance</b>	<b>765,894</b>	<b>778,492</b>	<b>(1.6)</b>
Transfers in	<b>176,343</b>	241,976	(27.1)
Major Works	(336,728)	(254,574)	32.3
<b>Net Retained Balance</b>	<b>605,509</b>	<b>765,894</b>	<b>(20.9)</b>

- **Service Charge Reserves Fund** as at 31 December 2023.

# Major Works

Average spent per year on **Major Works** 2009-2023: £233,500.

Many recent projects have been completed, including:

- Electrical rewiring from substation to flats;
- Refuse area refurbishment;
- Bike shed installations; EV charging installation;
- Signage and wayfinding installations;
- Pressure cleaning of external staircases;
- Cyclical structural concrete repairs, and;
- Cyclical high-level external decorations.

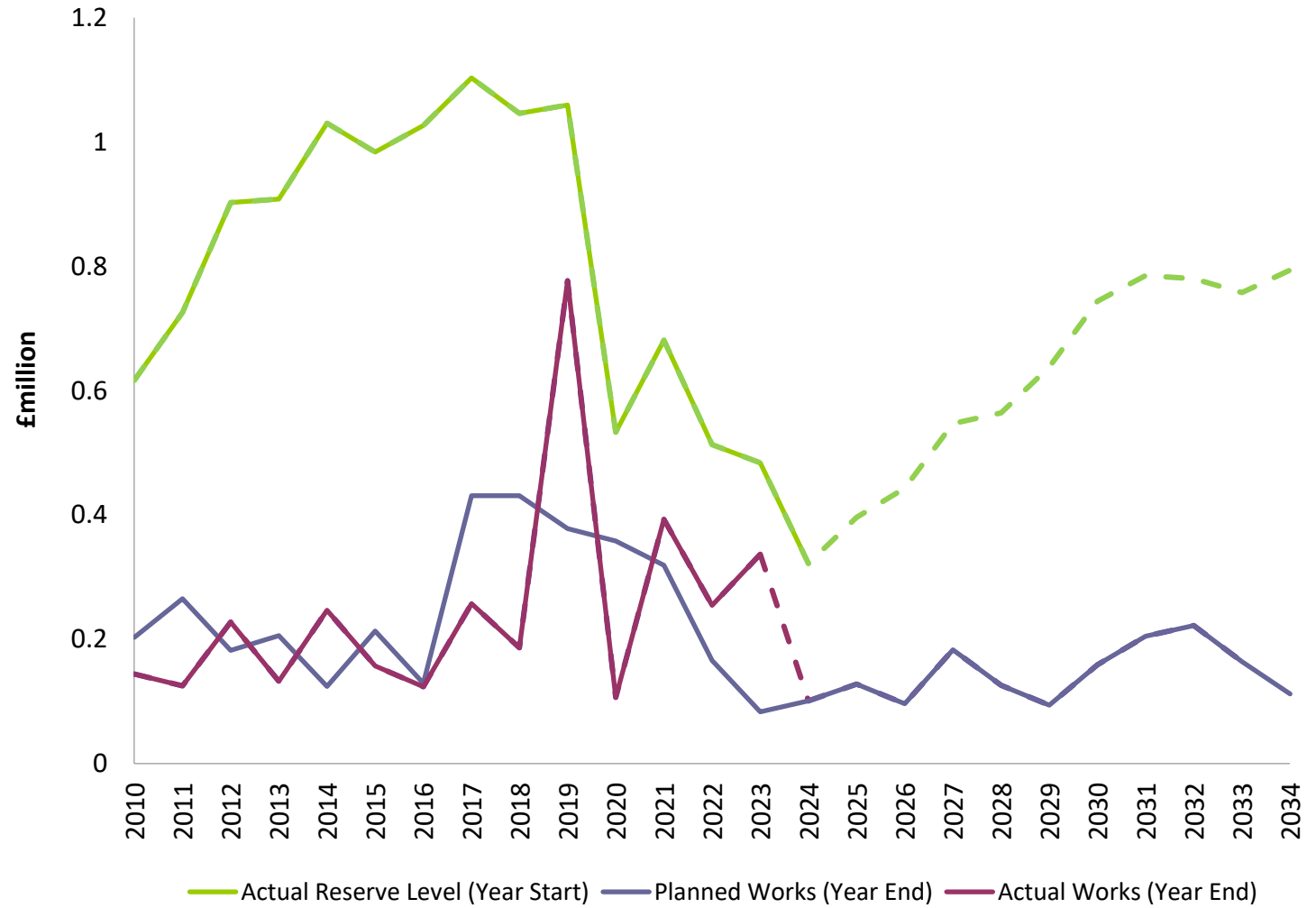
**Major Works in 2023** included:

- Completion of improvements to the Steps' tunnels;
- Updated security access controls;
- Cyclical structural concrete repairs, and
- High-level external decorations.

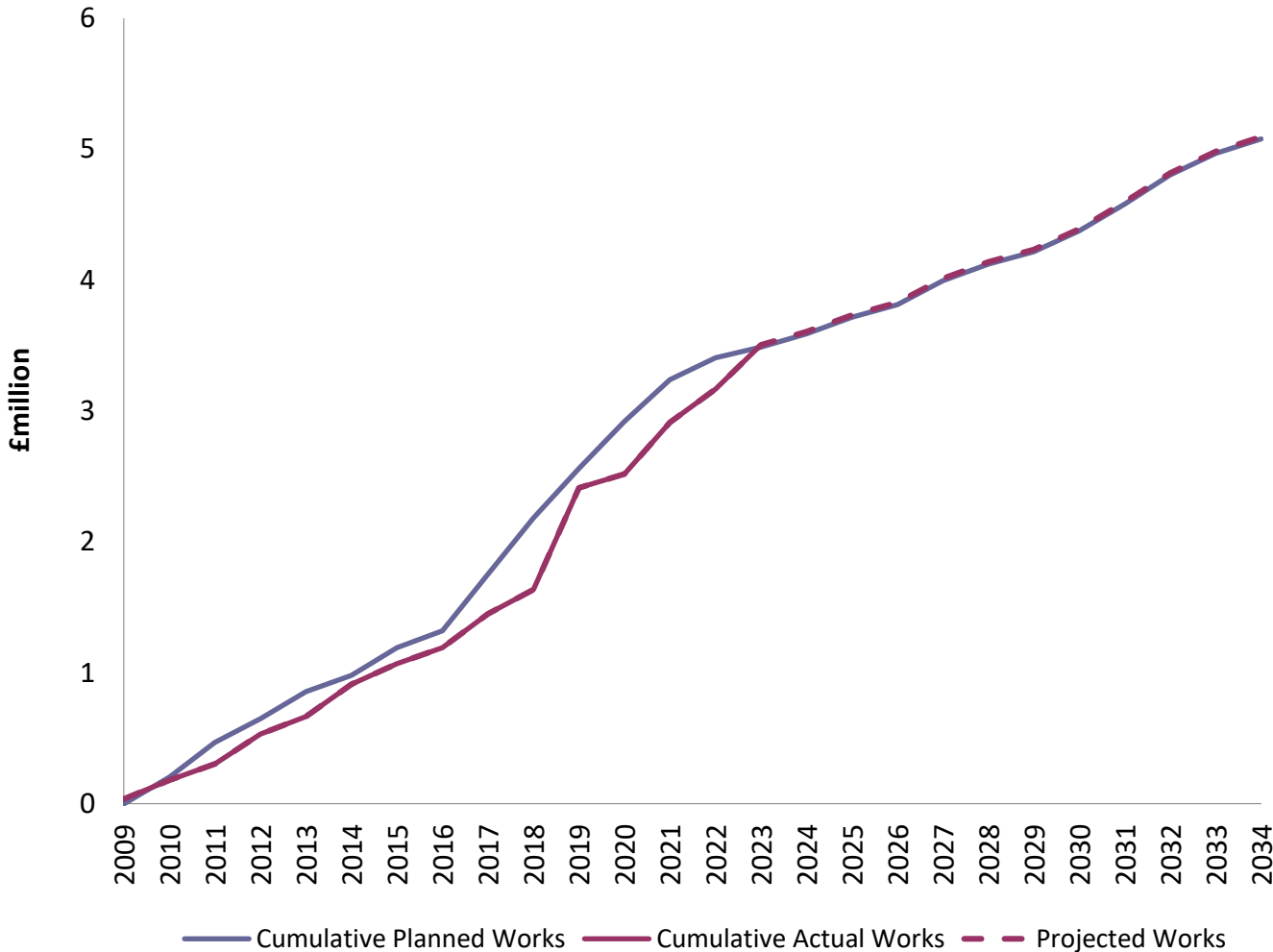
**Major Works in 2024** will see:

- Potential corridor decorations;
- Bike shed installation;
- Cyclical structural concrete repairs, and;
- High-level external decorations.

# Reserves Fund compared to AMR



# Major Works progress against AMR



# SGF<sup>2</sup> Sales & Lettings

- Preferential Commission Rates;
- Access to global advertising via advertising portals;
- Database of ready and willing tenants and buyers;
- Unrivalled knowledge of the Estate;
- Highest lettings market share of any agent;
- Landlord's guarantee of rent option;
- Highest sales prices achieved compared with other agents;
- Profits are reinvested into improving the estate and offsetting running costs.



**SGF** SALES &  
LETTINGS