



5-16 Gander Drive
The Beeches, Basingstoke, Hampshire
Service Charge Accounts

For the Year Ended 28 February 2017

J M Estates

Part of the Encore Group

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JM Estates is a division of Encore Estate Management Ltd, a company registered in England at 2 Hills Road, Cambridge, CB2 1JP.

Registration No. 04985188. Part of the Encore Property Management Group.

5-16 Gander Drive, The Beeches, Basingstoke, Hampshire

Summary

For the Year Ended 28 February 2017

Explanatory Notes

The service charge year ended with an overall deficit of £500 as the income of £8,645 (i.e. service charges invoiced to leaseholders) was less than the total expenditure of £8,980 and major works contribution of £165.

In accordance with Section 20B of the Landlord and Tenant Act 1985, or if applicable, Section 121 of the Law of Property Act 1925, notice is hereby provided that any service charge deficit will be invoiced to property owners, based on their service charge apportionments and in accordance with the lease or deed of transfer.

Reserves

Major Works Fund

The contribution to the Reserve Fund in 2016/17 for future major works was £165. Expenditure from the fund during the year was £2,774 for new communal windows. The balance of the fund at the end of the year was £4,417.

5-16 Gander Drive, The Beeches, Basingstoke, Hampshire

Accountant's report of factual findings to J M Estates

You have determined 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 5-16 Gander Drive, The Beeches, Basingstoke, Hampshire. In accordance with our engagement letter dated 19 February 2016, we have performed the procedures agreed with you and enumerated below with respect to the service charge statement of account in respect of 5-16 Gander Drive, The Beeches, Basingstoke, Hampshire for the year ended 28 February 2017 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to J M Estates 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 managing agent and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the managing agent 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 ICAEW 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 in the service charge accounts agreed or reconciled to the bank statements for the accounts in which the funds are held.
4. We reviewed whether the information given in the Summary is consistent with the accounts.

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 in the service charge accounts agrees or reconciles to the bank statement for the accounts in which the funds are held.
- d) With respect to item 4 we found that the information given in the Summary is consistent with the accounts.

Lakin Rose Limited
Chartered Accountants
Pioneer House, Vision Park
Histon
Cambridge
CB24 9NL

Date

5-16 Gander Drive, The Beeches, Basingstoke, Hampshire

Service Charge Income and Expenditure Account For the Year Ended 28 February 2017

	Notes	2016/17 Actual	2016/17 Budget	2015/16 Actual
		£	£	£
Income Receivable				
Service Charge Income		8,640	8,640	7,201
Interest Income		5	-	3
Total Income Receivable		<u>8,645</u>	<u>8,640</u>	<u>7,204</u>
Expenditure				
Electricity		155	100	91
Cleaning		687	676	612
Garden Maintenance		1,316	1,500	1,660
General Maintenance		1,265	1,010	1,295
Emergency Lighting Test		210	221	-
Building Insurance		994	1,033	896
D&O Insurance		53	117	117
Accounting Fee		720	708	662
Disbursements		184	110	143
Bank Charges		36	90	90
Company Secretary		313	372	342
Emergency Call Out		155	-	169
Health & Safety		948	594	-
Management Fee		1,944	1,944	1,871
Total Expenditure		<u>8,980</u>	<u>8,475</u>	<u>7,948</u>
Major Works Provision Contribution	4	165	165	380
Surplus/(Deficit) For The Year		<u>(500)</u>	<u>-</u>	<u>(1,124)</u>

We certify that the sum of £8,980 is the total expenditure for the year ended 28 February 2017 incurred in relation to services for the above named property.

J M Estates

Date

5-16 Gander Drive, The Beeches, Basingstoke, Hampshire

Service Charge Balance Sheet As at 28 February 2017

	Notes	28 February 2017 £	28 February 2016 £
Current Assets			
Net Deficit to be Invoiced to Lessees		1,624	1,124
Debtors	2	1,443	1,407
Cash at Bank	3	3,154	6,329
		<u>6,221</u>	<u>8,860</u>
Current Liabilities			
Trade Creditors		190	-
Other Creditors		1,614	1,834
		<u>1,804</u>	<u>1,834</u>
Net Current Assets		<u>4,417</u>	<u>7,026</u>
Provisions for Liabilities		-	-
Net Assets		<u>4,417</u>	<u>7,026</u>
Reserves			
Major Works Fund	4	4,417	7,026
		<u>4,417</u>	<u>7,026</u>

This statement of account was approved and signed on behalf of The Beeches Management (No 12) Limited] by:

Name (Print)

Signed

Date

5-16 Gander Drive, The Beeches, Basingstoke, Hampshire

Notes to the Service Charge Accounts For the Year Ended 28 February 2017

1. Accounting Policies

The accounts are prepared in accordance with the provisions of the lease and on the accruals basis.

2. Debtors

	2017	2016
	£	£
Service charges owed by lessees	85	55
Prepayments	1,158	1,152
Amount owed by management company	200	200
	<u>1,443</u>	<u>1,407</u>

On behalf of your estate there is a rigorous arrears collection procedure in place to recover service charges owed by lessees. This procedure includes referral to an external debt collection agency for non-payment.

3. Bank Account

Service charge money was held in trust in a separately identifiable account at Barclays Bank Plc.

Barclays	Sort Code: 20-11-74
Leicestershire	Account No: 73212718
LE87 2BB	Account Name: JPM re 5-16 Gander Drive Client A/c

4. Reserves

Major Works Fund	Total
	£
Balance as at 1 March 2016	7,026
Contribution in the year	165
Expenditure in the year	<u>(2,774)</u>
Balance as at 28 February 2017	<u>4,417</u>

Expenditure from the fund during the year was for new communal windows.

The reserve fund for future major works has been established to provide funds in order to pay for major long term maintenance which is expected to arise in the future. The present level of the fund may prove insufficient, given the uncertainty as to when such costs may arise.

The signed original version of these Accounts is held by J M Estates