

**Northfields
Colchester
Service Charge Accounts**

**For the year ended
30 June 2019**



Northfields
Income and Expenditure Account

For the year ended 30 June 2019

	Note	For the year ended 30 June 2019					For the year ended 30 June 2018
		Estate Charge	Block A Charge	Block J Charge	Block J Internal Charge	Total	Total
		£	£	£	£	£	£
Income							
Service charges receivable	1b	39,748	25,295	2,096	2,735	69,874	64,376
Interest received on late paid service charges	6	-	-	-	-	6	91
Bank interest receivable	62	-	-	-	-	62	75
Total income		39,816	25,295	2,096	2,735	69,942	64,542
Expenditure							
Landscape maintenance		18,783	-	-	-	18,783	18,971
Communal cleaning		-	1,607	-	-	1,607	1,560
Window cleaning		-	396	-	-	396	-
Electricity charges		(334)	(1,852)	16	187	(1,983)	895
Water charges		-	(400)	-	-	(400)	150
Lift maintenance		-	1,706	-	213	1,919	1,165
Equipment telephone line		-	229	-	-	229	268
General repairs and maintenance		2,496	3,272	-	-	5,768	6,863
Fire alarm/emergency lighting maintenance		-	531	-	47	578	387
Automatic opening ventilation maintenance		-	1,092	-	-	1,092	691
Communal TV/satellite aerial maintenance		11,317	-	-	-	11,317	10,413
Door entry system maintenance		-	1,284	-	-	1,284	1,623
Pest control		-	228	-	-	228	-
Reactive refuse removal		150	1,195	-	-	1,345	594
Man-safe/cradle/fall arrest systems		-	(100)	-	-	(100)	100
Buildings insurance		1,047	3,527	1,141	-	5,715	4,230
Directors' and officers' liability insurance		476	-	-	-	476	475
Insurance valuation		20	62	18	-	100	86
Engineering insurance		-	13	-	12	25	-
Engineering inspection costs		-	328	-	329	657	316
Accountancy fee		660	-	-	-	660	660
Company secretarial fees		300	-	-	-	300	300
Banking charges		63	-	-	-	63	63
Out of hours		-	99	19	-	118	103
Fire risk assessment		-	-	-	-	-	229
Health and safety fees		-	-	-	-	-	1,205
Debt collection cost		-	-	-	-	-	40
Management fees		9,812	5,617	675	395	16,499	15,323
Total expenditure		(44,790)	(18,834)	(1,869)	(1,183)	(66,676)	(66,710)
Transfer to reserves							
Redecoration fund	3	-	1,500	96	144	1,740	1,500
Estate sinking fund	3	862	-	-	-	862	847
Block sinking fund	3	-	1,500	96	144	1,740	1,500
Arboricultural fund	3	172	-	-	-	172	169
		(1,034)	(3,000)	(192)	(288)	(4,514)	(4,016)
(Deficit)/surplus for the year	4	(6,008)	3,461	35	1,264	(1,248)	(6,184)

Northfields
Balance Sheet

As at 30 June 2019

	Note	As at 30 June 2019	As at 30 June 2018
		£	£
Current Assets			
Bank balance	2	17,653	19,942
Service charges in arrears		3,318	11,863
Other debtors		18,122	6,494
Prepayments		<u>8,364</u>	<u>1,396</u>
		47,457	39,695
Current Liabilities			
Trade creditors		12,282	60
Service charges in advance		12,842	23,793
Other creditors		12,943	851
Accruals		<u>3,625</u>	<u>12,492</u>
		(41,692)	(37,196)
		<u>5,765</u>	<u>2,499</u>
Reserves			
Redecoration Fund	3	6,753	5,013
Estate Sinking Fund	3	3,421	2,559
Block Sinking Fund	3	6,753	5,013
Arboricultural Fund	3	1,039	867
Income & Expenditure Account	4	(12,201)	(10,953)
		<u>5,765</u>	<u>2,499</u>

We approve the financial information which comprises the service charge Income and Expenditure account, the Balance Sheet and related Notes. We acknowledge our responsibility for the financial information, including the appropriateness of the accounting basis, and for providing Booth Ainsworth with all the information and explanations necessary for its compilation in accordance with the terms of engagement.

Trinity Estates
.....
Trinity (Estates) Property Management Limited

.....31-01-20.....

Date

Northfields
Notes to the Service Charge Accounts

For the year ended 30 June 2019

1. Accounting policies

(a) Basis of preparation

The service charge accounts have been prepared on an accruals basis under the historical cost convention.

(b) Service charges receivable

The service charges receivable shown in the service charge income and expenditure account represents amounts invoiced in respect of the period.

2. Cash at Bank

Service charge money was held in trust in accordance with section 42, Landlord and Tenant Act 1987, at The Royal Bank of Scotland, 402 Lower 12th Street, Milton Keynes, MK9 3LF.

3. Reserves

	Redecoration Fund £	Estate Sinking Fund £	Block Sinking Fund £	Arboricultural Fund £
Balance brought forward	5,013	2,559	5,013	867
Transfer from income & expenditure account	1,740	862	1,740	172
Balance carried forward	6,753	3,421	6,753	1,039

The reserve funds are an allowance for future costs associated with unknown major expenditure at the development. The funds will build up over a number of years to ensure that when major expenditure is required sufficient funds will be available to meet the expenditure, and so minimise the need to raise additional levies upon residents.

4. Income and Expenditure

	Income and Expenditure £
Balance brought forward	(10,953)
Deficit for the year	(1,248)
Balance carried forward	(12,201)

The balance carried forward will be cleared in accordance with lease/transfer terms.

5. Transactions with managing agent and its associates

In addition to management fees, Trinity provided or procured services for: company secretary and out of hours, which are included within the expenditure on page 1.

Ottimo Property Services Limited, an associate of Trinity, provided facility management services to the development, which are included within the expenditure on page 1.

Trinity received a commission for arranging and managing the administration of the directors' and officers' and engineering insurance.

Accountants Report of Factual Findings To The Managing Agents Of

Northfields

For the year ended 30 June 2019

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 Northfields. In accordance with our engagement, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 1 to 3 in respect of Northfields for the year ended 30 June 2019, in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to the managing agents Trinity (Estates) Property Management Limited 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 Technical Release 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 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 the balance sheet agreed or reconciled to the bank statement(s) for the account(s) 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 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 statements of account to have been extracted correctly from the accounting records.
- b. With respect to item 2, we found 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 the balance sheet agrees or reconciles to the bank statement for the account(s) in which the funds are held.

Booth Ainsworth

Booth Ainsworth
Alpha House
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Stockport
SK3 8AB

31-01-20
Date