

**Northfields  
Colchester  
Service Charge Accounts**

**For the year ended  
30 June 2017**



**Northfields**  
**Income and Expenditure Account**

**For the year ended 30 June 2017**

		For the year ended 30 June 2017			For the year ended 30 June 2016
	Note	<u>Estate Charge</u> £	<u>Block A Charge</u> £	<u>Total</u> £	<u>Total</u> £
<b>Income</b>					
Service charges receivable - residents	1b	39,080	25,297	64,377	57,635
Service charges receivable - developer		-	-	-	814
Interest received on late service charges		67	-	67	171
Bank interest receivable		83	-	83	97
<b>Total income</b>		<b>39,230</b>	<b>25,297</b>	<b>64,527</b>	<b>58,717</b>
<b>Expenditure</b>					
Landscape maintenance		17,280	-	17,280	19,392
Communal cleaning		-	1,560	1,560	1,932
Electricity charges		103	494	597	3,201
Water charges		-	150	150	100
Lift maintenance		-	2,347	2,347	1,235
Equipment telephone line		-	249	249	367
General repairs and maintenance		4,888	1,210	6,098	5,241
Fire alarm/emergency lighting maintenance		-	623	623	197
Automatic opening ventilation maintenance		-	203	203	197
Communal TV/satellite aerial maintenance		11,806	-	11,806	3,821
Door entry system maintenance		-	1,707	1,707	1,174
Pest control		210	-	210	-
Reactive refuse removal		486	144	630	1,092
Buildings insurance		757	3,122	3,879	2,418
Directors' and officers' liability insurance		464	-	464	451
Insurance valuation		20	62	82	198
Engineering inspection costs		-	306	306	287
Accountancy fee		660	-	660	660
Company secretarial fees		300	-	300	300
Banking charges		63	-	63	63
Out of hours		-	104	104	103
Fire risk assessment		-	230	230	226
Health and safety fees		1,204	-	1,204	1,207
Management fees		9,182	5,346	14,528	13,610
<b>Total expenditure</b>		<b>(47,423)</b>	<b>(17,857)</b>	<b>(65,280)</b>	<b>(57,472)</b>
<b>Transfer to reserves</b>					
Redecoration fund	3	-	1,500	1,500	1,150
Estate sinking fund	3	847	-	847	1,150
Block sinking fund	3	-	1,500	1,500	476
Arboricultural fund	3	169	-	169	159
		<u>(1,016)</u>	<u>(3,000)</u>	<u>(4,016)</u>	<u>(2,935)</u>
<b>(Deficit)/surplus for the year</b>	4	<b>(9,209)</b>	<b>4,440</b>	<b>(4,769)</b>	<b>(1,690)</b>

**Northfields  
Balance Sheet**

**As at 30 June 2017**

	Note	As at 30 June 2017		As at 30 June 2016	
		£	£	£	£
<b>Current Assets</b>					
Bank balance	2	23,814		28,101	
Service charges in arrears		6,024		5,141	
Other debtors		7,081		5,791	
Prepayments		<u>2,494</u>		<u>739</u>	
			39,413		39,772
<b>Current Liabilities</b>					
Trade creditors		4,791		5,379	
Service charges in advance		23,259		23,578	
Other creditors		801		1,008	
Accruals		<u>5,895</u>		<u>6,077</u>	
			(34,746)		(36,042)
			<u><b>4,667</b></u>		<u><b>3,730</b></u>
<b>Reserves</b>					
Redecoration Fund	3	3,513		2,013	
Estate Sinking Fund	3	1,712		865	
Block Sinking Fund	3	3,513		2,013	
Arboricultural Fund	3	698		529	
<b>Income &amp; Expenditure Account</b>	4	<u>(4,769)</u>		<u>(1,690)</u>	
			<u><b>4,667</b></u>		<u><b>3,730</b></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

29-11-19

Date

**Northfields**  
**Notes to the Service Charge Accounts**

**For the year ended 30 June 2017**

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**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**

	<b>Redecoration Fund</b>	<b>Estate Sinking Fund</b>	<b>Block Sinking Fund</b>	<b>Arboricultural Fund</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward	2,013	865	2,013	529
Transfer from income & expenditure account	<u>1,500</u>	<u>847</u>	<u>1,500</u>	<u>169</u>
<b>Balance carried forward</b>	<b><u>3,513</u></b>	<b><u>1,712</u></b>	<b><u>3,513</u></b>	<b><u>698</u></b>

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**

	<b>Income and Expenditure</b>
	<b>£</b>
Balance brought forward	(1,690)
Charged to residents	1,690
Deficit for the year	<u>(4,769)</u>
<b>Balance carried forward</b>	<b><u>(4,769)</u></b>

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

## Accountants Report of Factual Findings To The Managing Agents Of

### Northfields

For the year ended 30 June 2017

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 2017 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, included in service charges in arrears is an amount of £4,495, and included in other debtors is an amount of £6,009, both of which remain outstanding at the date of accounts approval. Subject to any adjustments that would be required should any of these balances prove irrecoverable, 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  
Alpha House  
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Stockport  
SK3 8AB

  
Date