

**Northfields
Colchester
Service Charge Accounts**

**For the year ended
30 June 2018**



Northfields
Income and Expenditure Account

For the year ended 30 June 2018

	Note	For the year ended 30 June 2018			For the year ended 30 June 2017
		Estate Charge	Block A Charge	Total	Total
		£	£	£	
Income					
Service charges receivable - residents	1b	39,080	25,296	64,376	64,377
Interest received on late service charges		91	-	91	67
Bank interest receivable		75	-	75	83
Total income		39,246	25,296	64,542	64,527
Expenditure					
Landscape maintenance		18,971	-	18,971	17,280
Communal cleaning		-	1,560	1,560	1,560
Electricity charges		157	738	895	597
Water charges		-	150	150	150
Lift maintenance		-	1,165	1,165	2,347
Equipment telephone line		-	268	268	249
General repairs and maintenance		3,628	3,235	6,863	6,098
Fire alarm/emergency lighting maintenance		-	387	387	623
Automatic opening ventilation maintenance		-	691	691	203
Communal TV/satellite aerial maintenance		10,413	-	10,413	11,806
Door entry system maintenance		-	1,623	1,623	1,707
Pest control		-	-	-	210
Reactive refuse removal		414	180	594	630
Man-safe/cradle/fall arrest systems		-	100	100	-
Buildings insurance		850	3,380	4,230	3,879
Directors' and officers' liability insurance		475	-	475	464
Insurance valuation		24	62	86	82
Engineering inspection costs		-	316	316	306
Accountancy fee		660	-	660	660
Company secretarial fees		300	-	300	300
Banking charges		63	-	63	63
Out of hours		-	103	103	104
Fire risk assessment		-	229	229	230
Health and safety fees		1,205	-	1,205	1,204
Debt collection cost		40	-	40	-
Management fees		9,645	5,678	15,323	14,528
Total expenditure		(46,845)	(19,865)	(66,710)	(65,280)
Transfer to reserves					
Redecoration fund	3	-	1,500	1,500	1,500
Estate sinking fund	3	847	-	847	847
Block sinking fund	3	-	1,500	1,500	1,500
Arboricultural fund	3	169	-	169	169
(Deficit)/surplus for the year	4	(1,016)	(3,000)	(4,016)	(4,016)
		(8,615)	2,431	(6,184)	(4,769)

**Northfields
Balance Sheet**

As at 30 June 2018

	Note	As at 30 June 2018	As at 30 June 2017
		£	£
Current Assets			
Bank balance	2	19,942	23,814
Service charges in arrears		11,863	6,024
Other debtors		6,494	7,081
Prepayments		<u>1,396</u>	<u>2,494</u>
		39,695	39,413
Current Liabilities			
Trade creditors		60	4,791
Service charges in advance		23,793	23,259
Other creditors		851	801
Accruals		<u>12,492</u>	<u>5,895</u>
		(37,196)	(34,746)
		<u>2,499</u>	<u>4,667</u>
Reserves			
Redecoration Fund	3	5,013	3,513
Estate Sinking Fund	3	2,559	1,712
Block Sinking Fund	3	5,013	3,513
Arboricultural Fund	3	867	698
Income & Expenditure Account	4	(10,953)	(4,769)
		<u>2,499</u>	<u>4,667</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

Date

Northfields
Notes to the Service Charge Accounts

For the year ended 30 June 2018

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	3,513	1,712	3,513	698
Transfer from income & expenditure account	1,500	847	1,500	169
Balance carried forward	5,013	2,559	5,013	867

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	(4,769)
Deficit for the year	(6,184)
Balance carried forward	(10,953)

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, fire risk and health and safety assessment, 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 2018

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 2018 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 other debtors is an amount for £3,295 which remains unrecovered at the date of accounts approval. Subject to any adjustments which would be required should this amount prove to be 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.

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Booth Ainsworth
Alpha House
4 Greek Street
Stockport
SK3 8AB

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Date