

PL. Filing

2008/1/A/ Sigma 2010 Service
Charge accounts

BLACKFRIARS (SHREWSBURY)
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Whittingham Riddell
chartered accountants

BLACKFRIARS (SHREWSBURY)

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BLACKFRIARS (SHREWSBURY)

ACCOUNTANTS REPORT

ACCOUNTANTS REPORT TO THE LANDLORD OF BLACKFRIARS (SHREWSBURY)

In accordance with our engagement letter dated 7 June 2011, we have performed the procedures detailed below with respect to the service charge statement of account set out on pages 2 to 4 in respect of Blackfriars (Shrewsbury) for the year ended 31 December 2010.

This report is made to the Landlord for issue with the service charge supplementary information in accordance with the terms of our engagement. Our work has been undertaken to enable us to make this report to the Landlord and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Landlord for our work or for this report.

BASIS OF REPORT


Our work was carried out having regard to TECH 01/10 Accounting for Service Charges published jointly by ICAEW, ARMA and RICS. In summary, the procedures we carried out with respect to the service charge accounts were:

- 1 to check whether the figures contained in the information were extracted correctly from the accounting records maintained by or on behalf of the Landlord;
- 2 to check, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected; and
- 3 to check whether all service charge monies for this property are held in designated accounts or on client account with the property managing agent and the balances reconciled to the fund balance(s) shown on page 3 of the statement of account.

These procedures did not constitute an audit in accordance with International Standards of Auditing (UK and Ireland) and were not designed to provide any assurance regarding whether the amounts charged are a reasonable amount for the services, or whether those services were provided effectively.

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; and
- (b) With respect to item 3 we found that all service charge monies for the property were separately identified in the accounting records client account money and the balances reconciled to the fund balance(s) shown on page 3 of the statement of account.



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BLACKFRIARS (SHREWSBURY)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010		2009	
	£	£	£	£
INCOME				
Service charges		46,907		48,752
Bank interest received		120		108
EXPENDITURE				
Accountancy	1,116		1,123	
Legal and professional	1,577		1,602	
Legal and professional - prior year	-		(947)	
Bank charges	-		(18)	
Light and heat	370		421	
Cleaning	11,122		10,063	
Insurances	6,804		6,800	
Repairs and maintenance	37,074		5,581	
Management fee	4,805		5,274	
Ground maintenance	4,181		5,080	
		(67,049)		(34,979)
Transfer to reserves		(13,870)		(17,230)
Transfer from reserves		33,892		-
		<u> -</u>		<u> (3,349)</u>

Service charges for 2009 were £48,130 with further income of £622 received during the year


BLACKFRIARS (SHREWSBURY)

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Note	2010		2009	
		£	£	£	£
ASSETS					
Bank and cash	4	36,847		70,580	
Pooks client account		15,153		4,091	
Debtors	3	<u>4,067</u>		<u>497</u>	
		56,067		75,168	
LIABILITIES					
	5	<u>5,643</u>		<u>4,722</u>	
			50,424		70,446
NET ASSETS					
			<u>50,424</u>		<u>70,446</u>
RESERVES					
External decoaration	6		10,943		34,259
Internal decoration - walls & ceilings	6		5,732		4,742
Internal decoration - joinery	6		9,767		8,577
Carpets for communal areas	6		12,800		11,920
General	6		10,127		10,013
Interest received	6		1,055		935
			<u>50,424</u>		<u>70,446</u>

This statement of accounts was approved by Mr H Carter for the Managing Agents and signed on behalf of the Pooks Managing Agents by:



Mr H Carter on behalf of Pooks

Date: 18/03/2011

BLACKFRIARS (SHREWSBURY)

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with the provisions of the lease and on a historical cost basis.

2 TAX PROVIDED ON BANK INTEREST RECEIVED

A Service Charge trust has been established by Section 42 of the Landlord & Tenant Act 1987 and the Lease. Interest earned on Service Charge monies held on deposit is taxable at the basic rate of income tax. The rate of tax applied to interest received during the year was 20% (2009: 20%).

3 DEBTORS

	2010 £	2009 £
Year end balancing charge due from tenants	-	497
Transfer from reserves yet to clear bank account	4,067	-
	<u>4,067</u>	<u>497</u>

The above transfer from the reserves bank account is in respect of £3,171 for external painting and £936 for the supply and fit of time lag switches

4 BANK ACCOUNT

Service charge money was held in a trust at Lloyds TSB, Pride Hill, Shrewsbury, under the title Pooks Client Account Blackfriars (Shrewsbury) account number 7059522.

5 CREDITORS

	2010 £	2009 £
Trade Creditors	4,228	4,672
Service charges surplus due to tenants at year end	1,367	-
Due to Blackfriars (Shrewsbury) Limited	48	50
	<u>5,643</u>	<u>4,722</u>

Trade creditors is in respect of a Pooks Management charge of £4,188 and £40 to D G Reynolds for maintenance work

The amount due to Blackfriars (Shrewsbury) Limited is in respect of the company share capital.

BLACKFRIARS (SHREWSBURY)

NOTES TO THE ACCOUNTS

6 RESERVES

The reserves for external decoration, internal decoration and carpets for communal area, have been established to provide funds in order to pay for redecoration and maintenance costs which are expected to arise in the future.

Any shortfall in these funds resulting from expenditure incurred will be charged to the Income and Expenditure Account in that year.

The general reserves have arisen due to an annual contribution included in the service charges paid throughout the year.

The interest received reserve has accumulated interest received from the bank since the account was opened. These monies are available to be used at the landlord's discretion.

	External decoration	Internal decoration - walls & ceilings	Internal decoration - joinery	Carpets for communal area	General	Interest received	Total
Balance brought forward	34,259	4,742	8,577	11,920	10,013	935	70,446
Additions	9,640	990	1,190	880	1,050	120	13,870
Used in the year	(32,956)	-	-	-	(936)	-	(33,892)
Balance carried forward	<u>10,943</u>	<u>5,732</u>	<u>9,767</u>	<u>12,800</u>	<u>10,127</u>	<u>1,055</u>	<u>50,424</u>