

The Old Railway Quarter, Swindon

Service Charge Accounts

from 1st April 2019 to 31st March 2020

The Old Railway Quarter, SwindonExpenditure for the Periodfrom 1st April 2019 to 31st March 2020**Accountant's report of factual findings to the Managing Agent of The Old Railway Quarter, Swindon**

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 The Old Railway Quarter, Swindon.

In accordance with the terms of our engagement letter we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages two to six in respect of The Old Railway Quarter, Swindon for the year ended 31st March 2020 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 Agent 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 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 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 on the balance sheet of the service charge accounts 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 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 on the balancing statement of the service charge accounts agrees or reconciles to the bank statement for the account(s) in which the funds are held.

Aug 18, 2020

Date:

*Thomas David*Signature: Thomas David (Aug 18, 2020 14:01 GMT+1)

Thomas David
Chartered Accountants and
Statutory Auditors
6-7 Castle Gate
Castle Street
Hertford
Hertfordshire
SG14 1HD

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income and Expenditure Account Total**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Cleaning Contract		9,694	10,000
Window Cleaning		2,293	936
Insurance Claims		500	-
Solar Panel Maintenance		588	-
Door Entry System		2,345	2,000
Drainage, Guttering & Sewerage		-	400
Bulk Refuse Removal		3,288	2,000
Fire Equipment Maintenance		2,911	2,744
Aerial Maintenance		2,040	3,000
Electrical Maintenance & Repairs		2,047	3,500
General Repairs & Maintenance		13,320	11,000
Pest Control		-	300
Dry Riser Test		678	1,920
<u>Grounds Maintenance</u>			
Grounds Maintenance		9,199	2,373
<u>Insurance</u>			
Buildings Insurance		57,014	51,368
<u>Professional Fees</u>			
Management Fees		34,782	34,782
Accountancy Fees		2,594	2,594
Health & Safety		2,123	2,023
Legal & Professional Fees		606	500
Postage Expenses		544	1,640
Sundry Expenses		1,238	-
Estate Contribution		(5,332)	24,844
<u>Utilities</u>			
Electricity		7,591	15,000
Water		250	250
Communal Telephone		(500)	-
<u>Contributions Transferred to Reserve Fund</u>			
Reserve Fund Contribution		20,432	20,334
<u>TOTAL EXPENDITURE</u>		<u>170,245</u>	<u>193,508</u>
<u>Income</u>			
Service Charges Receivable	174,367		
Reserve Charges Receivable	20,432		
		194,799	
<u>Interest Received</u>			
Bank Interest Received		29	
<u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING PERIOD</u>		<u>24,583</u>	

Aug 14, 2020
 Approved on

For and on Behalf of the Landlord

For and on behalf of Residential Management Group Ltd.

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income & Expenditure - Service Charge - Estate**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Drainage, Guttering & Sewerage		-	400
Bulk Refuse Removal		300	-
General Repairs & Maintenance		1,176	-
Pest Control		-	300
<u>Grounds Maintenance</u>			
Grounds Maintenance		2,304	2,373
<u>Insurance</u>			
Buildings Insurance		57,014	51,368
<u>Professional Fees</u>			
Management Fees		34,782	34,782
Accountancy Fees		2,594	2,594
Health & Safety		2,123	2,023
Legal & Professional Fees		721	500
Postage Expenses		544	1,640
Sundry Expenses		970	-
<u>Contributions</u>			
Reserve Fund Contribution		9,318	9,221
<u>TOTAL EXPENDITURE</u>		<u>111,846</u>	<u>105,201</u>
<u>Income</u>			
Service Charges Receivable	97,058		
Reserve Charges Receivable	9,318		
		106,376	
<u>Interest Received</u>			
Bank Interest Received		5	
<u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u>		<u>(5,465)</u>	

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income & Expenditure - Service Charge - Block (Apollo)**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Cleaning Contract		582	598
Window Cleaning		136	56
Door Entry System		1,919	120
Bulk Refuse Removal		-	119
Fire Equipment Maintenance		116	164
Aerial Maintenance		-	180
Electrical Maintenance & Repairs		-	209
General Repairs & Maintenance		390	656
Dry Riser Test		(32)	115
 <u>Professional Fees</u>			
Legal & Professional Fees		(115)	-
Sundry Expenses		43	-
 <u>Utilities</u>			
Electricity		837	895
Water		16	16
Communal Telephone		(30)	-
 <u>Contributions</u>			
Reserve Fund Contribution		663	663
 <u>TOTAL EXPENDITURE</u>		<u>4,525</u>	<u>3,791</u>
 <u>Income</u>			
Service Charges Receivable	3,130		
Reserve Charges Receivable	663		
	<hr/>	3,793	
 <u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u>		<u>(732)</u>	

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income & Expenditure - Service Charge - Block (Artemis)**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Cleaning Contract		437	448
Window Cleaning		102	42
Door Entry System		102	89
Bulk Refuse Removal		-	90
Fire Equipment Maintenance		87	123
Aerial Maintenance		-	134
Electrical Maintenance & Repairs		-	157
General Repairs & Maintenance		174	492
Dry Riser Test		(24)	86
 <u>Utilities</u>			
Electricity		(888)	672
Water		11	11
Communal Telephone		(22)	-
 <u>Contributions</u>			
Reserve Fund Contribution		496	496
 <u>TOTAL EXPENDITURE</u>		<u>475</u>	<u>2,840</u>
 <u>Income</u>			
Service Charges Receivable	2,343		
Reserve Charges Receivable	496		
		<u>2,839</u>	
 <u>Interest Received</u>			
Bank Interest Received		1	
 <u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u>		<u>2,365</u>	

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income & Expenditure - Service Charge - Block (Olympus)**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Cleaning Contract		4,556	4,676
Window Cleaning		1,072	438
Door Entry System		-	935
Bulk Refuse Removal		2,178	935
Fire Equipment Maintenance		1,771	1,283
Aerial Maintenance		330	1,402
Electrical Maintenance & Repairs		-	1,636
General Repairs & Maintenance		7,014	5,144
Dry Riser Test		616	898
Solar Panel Maintenance		588	-
<u>Professional Fees</u>			
Sundry Expenses		226	-
<u>Utilities</u>			
Electricity		(930)	7,015
Water		117	117
Communal Telephone		(234)	-
<u>Contributions</u>			
Reserve Fund Contribution		5,197	5,197
<u>TOTAL EXPENDITURE</u>		<u>22,501</u>	<u>29,676</u>
<u>Income</u>			
Service Charges Receivable	24,481		
Reserve Charges Receivable	5,197		
		<u>29,678</u>	
<u>Interest Received</u>			
Bank Interest Received		8	
<u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u>		<u>7,185</u>	

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income & Expenditure - Service Charge - Block Internal (Hermes)**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Cleaning Contract		727	746
Window Cleaning		172	70
Door Entry System		-	149
Bulk Refuse Removal		-	149
Fire Equipment Maintenance		171	205
Aerial Maintenance		780	224
Electrical Maintenance & Repairs		-	262
General Repairs & Maintenance		1,084	823
Dry Riser Test		134	143
 <u>Utilities</u>			
Electricity		932	1,119
Water		18	18
Communal Telephone		(37)	-
 <u>Contributions</u>			
Reserve Fund Contribution		831	831
 <u>TOTAL EXPENDITURE</u>		<u>4,812</u>	<u>4,739</u>
 <u>Income</u>			
Service Charges Receivable	3,907		
Reserve Charges Receivable	831		
	<hr/>	4,738	
 <u>Interest Received</u>			
Bank Interest Received		1	
 <u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u>		<u>(73)</u>	

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income & Expenditure - Service Charge - Block Internal (Achilles)**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Cleaning Contract		678	746
Window Cleaning		172	70
Door Entry System		-	149
Bulk Refuse Removal		186	149
Fire Equipment Maintenance		225	205
Aerial Maintenance		780	224
Electrical Maintenance & Repairs		-	262
General Repairs & Maintenance		890	823
Dry Riser Test		134	143
 <u>Utilities</u>			
Electricity		1,359	1,119
Water		18	18
Communal Telephone		(37)	-
 <u>Contributions</u>			
Reserve Fund Contribution		831	831
 <u>TOTAL EXPENDITURE</u>		<u>5,236</u>	<u>4,739</u>
 <u>Income</u>			
Service Charges Receivable	3,909		
Reserve Charges Receivable	831		
		4,740	
 <u>Interest Received</u>			
Bank Interest Received		1	
 <u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u>		<u>(495)</u>	

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income & Expenditure - Service Charge - Block (Chain Testing)**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Cleaning Contract		2,714	2,786
Window Cleaning		639	260
Insurance Claims		500	-
Door Entry System		324	558
Bulk Refuse Removal		624	558
Fire Equipment Maintenance		541	764
Aerial Maintenance		150	836
Electrical Maintenance & Repairs		-	974
General Repairs & Maintenance		2,274	3,062
Dry Riser Test		(150)	535
 <u>Utilities</u>			
Electricity		6,280	4,180
Water		70	70
Communal Telephone		(140)	-
 <u>Contributions</u>			
Reserve Fund Contribution		3,096	3,095
 <u>TOTAL EXPENDITURE</u>		<u>16,922</u>	<u>17,678</u>
 <u>Income</u>			
Service Charges Receivable	14,584		
Reserve Charges Receivable	3,096		
		<hr/>	
		17,680	
 <u>Interest Received</u>			
Bank Interest Received		3	
 <u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u>		<u>761</u>	

Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020****Income & Expenditure - Service Charge - Estate Churchward**

	£	Actual £	Budget £
<u>Repairs & Maintenance</u>			
Electrical Maintenance & Repairs		2,047	-
General Repairs & Maintenance		318	-
<u>Grounds Maintenance</u>			
Grounds Maintenance		6,895	-
<u>Professional Fees</u>			
Estate Contribution		(5,332)	24,844
<u>TOTAL EXPENDITURE</u>		<u>3,928</u>	<u>24,844</u>
<u>Income</u>			
Service Charges Receivable	24,955		
		24,955	
<u>Interest Received</u>			
Bank Interest Received		10	
<u>SURPLUS/(DEFICIT) AT END OF ACCOUNTING YEAR</u>		<u>21,037</u>	

Service Charge Statement of Account for The Old Railway Quarter, Swindon**Balance Sheet as at 31st March 2020**

	Notes	£	£
<u>ASSETS</u>			
Service Charges Owed			3,795
Sundry Debtors			133
Prepayments	4	27,554	
Bank	5	67,642	
			<hr/>
			99,124
<u>LESS: LIABILITIES</u>			
Service Charges Paid in Advance		11	
Creditors	6	18,396	
Accruals	7	20,728	
Surplus for the Period		24,583	
		<hr/>	
			63,718
<u>NET ASSETS / (LIABILITIES)</u>			<hr/>
			35,406
<u>RESERVE FUND</u>	3	35,406	
		<hr/>	
			35,406

Notes to Service Charge Statement of Account for The Old Railway Quarter, Swindon

For the Accounting Period from 1st April 2019 to 31st March 2020

1 Accounting policies

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

2 Tax provided on bank interest received

Service charge monies are held on trust in accordance with S.42 (Landlord & Tenant Act 1987).
The interest earned in the year falls below the exemption level and, as such, no tax is payable

3 Reserve Fund(s)

The reserve fund has been established in accordance with the lease to provide funds to meet the costs of future anticipated expenditure
A breakdown per schedule can be found in Appendix A

	£	£
Balance Brought Forward from 1st April 2019	21,914	
Reserve Fund Bank Account Interest Received	16	
Reserve Contributions	20,432	
		42,362
Less Expenditure		(6,956)
		<u>35,406</u>
Reserve Fund Bank Account Total		7,621
Net Assets due to Reserve Funds		27,785
Balance Carried Forward as at 31st March 2020		<u>35,406</u>

4 Prepayments

	£
Buildings Insurance	27,554
	<u>27,554</u>

Notes to Service Charge Statement of Account for The Old Railway Quarter, Swindon

For the Accounting Period from 1st April 2019 to 31st March 2020

5 Bank Balances

	£
Bank - Reserve - Block (Apollo)	426
Bank - Reserve - Block (Artemis)	1,047
Bank - Reserve - Block (Chain Testing)	785
Bank - Reserve - Block External (Hermes/Achilles)	156
Bank - Reserve - Block Internal (Achilles)	1,675
Bank - Reserve - Block Internal (Hermes)	1,588
Bank - Reserve - Block (Olympus)	190
Bank - Reserve - Estate	1,754
Bank - Service Charge - Block (Apollo)	466
Bank - Service Charge - Block (Artemis)	4,651
Bank - Service Charge - Block (Chain Testing)	11,664
Bank - Service Charge - Block External (Hermes/Achilles)	74
Bank - Service Charge - Block Internal (Achilles)	2,530
Bank - Service Charge - Block Internal (Hermes)	4,275
Bank - Service Charge - Block (Olympus)	12,518
Bank - Service Charge - Estate	207
Bank - Service Charge - Estate Churchward	23,635
Bank - Service Charge - Parking (Heritage Plaza)	1
	<hr/>
	67,642

All bank accounts are held in trust, in interest bearing accounts, in accordance with S.42 (Landlord & Tenant Act 1987) at;
Halifax Bank of Scotland (HBOS), New Uberior House, 11 Earl Grey Street, EH3 9BN

Under the title;

Account Name: The Old Railway Quarter, Swindon Client A/C
Account Number(s): 11073565 11073661 11074162 11073864 11074066 11073960
11073768 10929065 11072669 11072765 11073362 11072968
11073266 11073063 11072861 10928863 11073469 11113062

Notes to Service Charge Statement of Account for The Old Railway Quarter, Swindon

For the Accounting Period from 1st April 2019 to 31st March 2020

6 Creditors

	£
Cleaning Contract	655
Window Cleaning	1,310
Bulk Refuse Removal	300
Fire Equipment Maintenance	586
General Repairs & Maintenance	5,616
Grounds Maintenance	1,459
Accountancy Fees	501
Health & Safety	2,123
Postage Expenses	410
Electricity	1,324
Reserve Fund	4,112
	<hr/>
	18,396

7 Accruals

	£
Cleaning Contract	606
Grounds Maintenance	2,237
Accountancy Fees	2,594
Postage Expenses	(1,096)
Electricity	15,886
Water	501
	<hr/>
	20,728

8 Managing Agents Annual Declaration

Residential Management Group Limited and associated Companies, in addition to acting as agent, have charged the Service Charge appropriate fees for the following services carried out during the period:

Provision of Accountancy Services
Risk assessments and compliance with Health & Safety requirements

Appendix to Service Charge Statement of Account for The Old Railway Quarter, Swindon**For the Accounting Period from 1st April 2019 to 31st March 2020**

£

£

Reserve - Block (Apollo)

Balance Brought Forward from 1st April 2019	597
Reserve Fund Bank Account Interest Received	1
Reserve Contributions	662
Less Expenditure	
Five Year Electrical Test	(245)
Electrical Testing	(19)
	<u>996</u>

Reserve - Block (Artemis)

Balance Brought Forward from 1st April 2019	448
Reserve Fund Bank Account Interest Received	0
Reserve Contributions	496
Less Expenditure	
Five Year Electrical Test	(184)
Electrical Testing	(199)
	<u>561</u>

Reserve - Block (Chain Testing)

Balance Brought Forward from 1st April 2019	2,787
Reserve Fund Bank Account Interest Received	2
Reserve Contributions	3,096
Less Expenditure	
Five Year Electrical Test	(1,145)
Reallocation RF Chain Testing	(1,210)
	<u>3,530</u>

Reserve - Block External (Hermes/Achilles)

Balance Brought Forward from 1st April 2019	743
Reserve Fund Bank Account Interest Received	0
Reserve Contributions	0
Less Expenditure	
Electrical Testing	(32)
	<u>711</u>

Reserve - Block Internal (Achilles)

Balance Brought Forward from 1st April 2019	373
Reserve Fund Bank Account Interest Received	1
Reserve Contributions	831
Less Expenditure	
Five Year Electrical Test	(308)
Electrical Testing	(32)
	<u>865</u>

Reserve - Block Internal (Hermes)

Balance Brought Forward from 1st April 2019	373
Reserve Fund Bank Account Interest Received	1
Reserve Contributions	831
Less Expenditure	
Five Year Electrical Test	(307)
Electrical Testing	(118)
	<hr/>
	780

Reserve - Block (Olympus)

Balance Brought Forward from 1st April 2019	4,681
Reserve Fund Bank Account Interest Received	4
Reserve Contributions	5,197
Less Expenditure	
Five Year Electrical Test	(1,922)
Reallocation RF Chain Testing	(1,210)
	<hr/>
	6,750

Reserve - Estate

Balance Brought Forward from 1st April 2019	11,912
Reserve Fund Bank Account Interest Received	7
Reserve Contributions	9,319
Less Expenditure	
Electrical Testing	(25)
	<hr/>
	21,213