

Certified Service Charge Accounts

For the Year Ended 31 December 2015

for

Lacuna Estate

Lacuna Estate

Contents of the Service Charge Accounts
For the Year Ended 31 December 2015

	Page
Service Charge Fund Information	1
Accountants Report of Factual Findings	2
Income and Expenditure Statement - Zone A	3
Income and Expenditure Statement - Zone B	4
Income and Expenditure Statement - Zone C	5
Income and Expenditure Statement - Zone D	6
Income and Expenditure Statement - Zone E	7
Income and Expenditure Statement - Communal	8
Balance Sheet	9
Notes to the Service Charge Accounts	10

Lacuna Estate

Service Charge Fund Information
For the Year Ended 31 December 2015

MANAGING AGENTS: LEMC Suite 167
5 Liberty Square
Kings Hill
West Maling
Kent
ME19 4AU

BANKERS: Santander
Bootle
Merseyside
L30 4GB

ACCOUNTANTS: A J Wheeler Limited
Chartered Certified Accountants
Unit 5 Links House
Dundas Lane
Portsmouth
Hampshire
PO3 5BL

Lacuna Estate

Accountants Report of Factual Findings to the Managing Agent of
Lacuna Estate

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 property. In accordance with 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 3 to 22 in respect of the property for the year ended 31 December 2015 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to the landlord and their 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 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 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 page 10 of the service charge accounts agreed or reconciled to the bank statement for the account 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 page 10 of the service charge accounts agrees or reconciles to the bank statement for the account in which the funds are held.

Signed: A J Wheeler

Date: 23/5/16

A J Wheeler Limited
Chartered Certified Accountants
Unit 5 Links House
Dundas Lane
Portsmouth
Hampshire
PO3 5BL
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Lacuna Estate

Income and Expenditure Statement - Zone A
For the Year Ended 31 December 2015

	Notes	2015 BUDGET £	2015 ACTUAL £
INCOME			
Service charges raised		16,264.46	16,264.63
Bank interest received			-
Total income receivable		<u>16,264.46</u>	<u>16,264.63</u>
EXPENDITURE			
Repairs & maintenance			
General repairs & maintenance		500.00	-
Landscaping		3,830.00	3,512.03
Landscaping other			-
Window cleaning		1,044.00	1,044.00
Professional fees			
Accountancy fees		300.00	300.00
Management fees		1,455.30	1,455.27
Insurances			
Property owners insurance		4,651.36	4,651.36
Sundry expenses			
Bank charges		20.00	-
Contributions to reserves			
General reserve	7	263.80	-
Individual redecoration reserve	9	<u>4,200.00</u>	<u>4,066.16</u>
Total expenditure		<u>16,264.46</u>	<u>15,028.82</u>
SURPLUS FOR THE PERIOD			
	6	<u>-</u>	<u>1,235.81</u>

The notes form part of these service charge accounts

Lacuna Estate

Income and Expenditure Statement - Zone B
For the Year Ended 31 December 2015

	Notes	2015 BUDGET £	2015 ACTUAL £
INCOME			
Service charges raised		<u>19,631.31</u>	<u>19,909.98</u>
Total income receivable		19,631.31	19,909.98
EXPENDITURE			
Repairs & maintenance			
General repairs & maintenance		500.00	-
Grounds maintenance			-
Landscaping		4,560.00	4,178.98
Landscaping other			-
Window cleaning		1,320.00	1,320.00
Professional fees			
Accountancy fees		300.00	300.00
Management fees		1,732.50	1,732.47
Insurances			
Property owners insurance		6,198.81	6,198.81
Sundry expenses			
Bank charges		20.00	-
Contributions to reserves			
General reserve		-	-
Individual redecoration reserve	9	<u>5,000.00</u>	<u>4,907.83</u>
Total expenditure		<u>19,631.31</u>	<u>18,638.09</u>
SURPLUS FOR THE PERIOD	6	<u>-</u>	<u>1,271.89</u>

The notes form part of these service charge accounts

Lacuna Estate

Income and Expenditure Statement - Zone C
For the Year Ended 31 December 2015

	Notes	2015 BUDGET £	2015 ACTUAL £
INCOME			
Service charges raised		16,481.74	16,481.51
Bank interest received			-
Total income receivable		<u>16,481.74</u>	<u>16,481.51</u>
EXPENDITURE			
Repairs & maintenance			
General repairs & maintenance		200.00	-
Landscaping		3,830.40	3,512.03
Landscaping other			-
Window cleaning		990.00	990.00
Professional fees			
Accountancy fees		300.00	300.00
Management fees		1,455.30	1,455.27
Insurances			
Property owners insurance		5,536.04	5,536.04
Sundry expenses			
Bank charges		20.00	-
Contributions to reserves			
General reserve	9	1,000.00	-
Individual redecoration reserve		3,150.00	4,120.38
Total expenditure		<u>16,481.74</u>	<u>15,913.72</u>
SURPLUS FOR THE PERIOD			
	6	<u>-</u>	<u>567.79</u>

The notes form part of these service charge accounts

Lacuna Estate

Income and Expenditure Statement - Zone D
For the Year Ended 31 December 2015

	Notes	2015 BUDGET £	2015 ACTUAL £
INCOME			
Service charges raised		21,570.68	21,570.63
Bank interest received			-
Total income receivable		<u>21,570.68</u>	<u>21,570.63</u>
EXPENDITURE			
Repairs & maintenance			
General repairs & maintenance		200.00	-
Landscaping		4,924.80	4,511.05
Landscaping other			-
Window cleaning		1,575.00	1,575.00
Professional fees			
Accountancy fees		300.00	300.00
Management fees		1,871.10	1,871.06
Insurances			
Property owners insurance		6,279.78	6,279.78
Sundry expenses			
Bank charges		20.00	-
Contributions to reserves			
General reserve	10	1,000.00	-
Individual redecoration reserve		<u>5,400.00</u>	<u>5,392.66</u>
Total expenditure		<u>21,570.68</u>	<u>19,929.55</u>
SURPLUS FOR THE PERIOD			
	6	<u>-</u>	<u>1,641.08</u>

The notes form part of these service charge accounts

Lacuna Estate

Income and Expenditure Statement - Zone E
For the Year Ended 31 December 2015

	Notes	2015 BUDGET £	2015 ACTUAL £
INCOME			
Service charges raised		23,655.74	23,655.88
Bank interest received			-
Total income receivable		<u>23,655.74</u>	<u>23,655.88</u>
 EXPENDITURE			
Repairs & maintenance			
General repairs & maintenance		200.00	-
Landscaping		5,289.60	4,848.75
Landscaping other			-
Window cleaning		1,788.00	1,788.00
Professional fees			
Accountancy fees		300.00	300.00
Management fees		2,009.70	2,009.66
Insurances			
Property owners insurance		7,248.44	7,248.44
Sundry expenses			
Bank charges		20.00	-
Contributions to reserves			
General reserve	11	1,000.00	-
Individual redecoration reserve		5,800.00	5,913.97
Total expenditure		<u>23,655.74</u>	<u>22,108.82</u>
 SURPLUS FOR THE PERIOD			
	6	<u>-</u>	<u>1,547.06</u>

The notes form part of these service charge accounts

Lacuna Estate

Income and Expenditure Statement - Communal
For the Year Ended 31 December 2015

	Notes	2015 BUDGET £	2015 ACTUAL £
INCOME			
Service charges raised		23,937.37	23,938.20
Bank interest received		-	135.31
Total income receivable		<u>23,937.37</u>	<u>24,073.51</u>
 EXPENDITURE			
Repairs & maintenance			
Electrical maintenance		1,000.00	2,194.82
General repairs & maintenance		890.00	2,430.00
Landscaping		8,268.00	7,578.45
Landscaping other		500.00	1,235.69
Materials			686.38
Pest control			480.00
Utilities			
Electricity		4,100.00	1,126.42
Professional fees			
Accountancy fees		600.00	600.00
Company secretariat fees		50.00	316.00
Management fees		7,484.40	7,484.25
Insurances			
Directors and officers insurance		550.00	353.51
Property owners insurance		74.97	74.97
Sundry expenses			
Bank charges		20.00	105.00
Postage, copying etc.		400.00	832.68
Contributions to reserves			
General reserve	12	-	-
Total expenditure		<u>23,937.37</u>	<u>25,498.17</u>
 DEFICIT FOR THE PERIOD			
	4	<u>-</u>	<u>(1,424.66)</u>

The notes form part of these service charge accounts

Lacuna Estate

Balance Sheet
31 December 2015

	Notes	2015 £	£
FIXED ASSETS			
CURRENT ASSETS			
Cash at bank and in hand	2	76,830.14	
Debtors	3	52,833.18	
Deficits to be recharged to lessees	4	-	
		<u>129,663.32</u>	
CURRENT LIABILITIES			
Creditors	5	4,915.90	
Surpluses to be refunded to lessees	6	-	
		<u>4,915.90</u>	
NET CURRENT ASSETS			<u>124,747.42</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>124,747.42</u></u>
RESERVES			
General reserve houses	7		52,547.98
General reserve communal	8		44,843.49
Former redecoration reserves	9		2,954.97
Individual redecoration reserves	10		24,400.98
MEMBERS' FUNDS			<u><u>124,747.42</u></u>

We, as managing agents approve the service charge accounts and confirm that we have made available all relevant records and information for their preparation. We confirm that there are no other costs we have been made aware of which need to be brought to your attention that may have been incurred by the freeholder during or relating to the period under review.

Signed: J. Allenby

Date: 20/5/16

Name: JENNY VANBERGEN

LEMC Directors

The notes form part of these service charge accounts.

Lacuna Estate

Notes to the Service Charge Accounts
For the Year Ended 31 December 2015

1. ACCOUNTING POLICIES

1.1 Accounting convention

The service charge accounts have been prepared in accordance with the terms of the lease and on an accruals basis under the historical cost convention.

2. CASH AT BANK AND IN HAND

2015

£

Houses A-E bank account

39,478.04

Communal bank account

37,352.10

76,830.14

All funds are held in a designated client account by the managing agent. The details of the bank with which the account is held is shown on page 1.

3. DEBTORS

2015

£

Service charge debtors

52,833.18

Prepaid Zone D&E redecoration

-

52,833.18

Lacuna Estate

Notes to the Service Charge Accounts
For the Year Ended 31 December 2015

5. CREDITORS	2015
	£
Trade creditors	<u>4,915.90</u>
	<u>4,915.90</u>

Lacuna Estate

Notes to the Service Charge Accounts
For the Year Ended 31 December 2015

7. GENERAL RESERVE - ZONES A-E

	2015 £
Balance brought forward	52,547.98
Balance carried forward	<u>52,547.98</u>

The general reserve fund has been established to meet the cost of large, non-regular repair and maintenance work.

8. GENERAL RESERVE - COMMUNAL

	2015 £
Balance brought forward	44,843.49
Balance carried forward	<u>44,843.49</u>

The general reserve fund has been established to meet the cost of large, non-regular repair and maintenance work.

9. FORMER REDECORATION RESERVE

	2015 £
Balance brought forward	127,503.20
Zone D&E redecoration project	(92,188.00)
Contribution to redecoration reserve	(32,360.23)
Balance carried forward	<u>2,954.97</u>

The general reserve fund has been established to meet the cost of large, non-regular repair and maintenance work.

Lacuna Estate

Notes to the Service Charge Accounts
For the Year Ended 31 December 2015

10. REDECORATION RESERVE - ZONES A-E	2015
	£
	(0.02)
Rounding difference	4,066.16
Transfer from Zone A	4,907.83
Transfer from Zone B	4,120.38
Transfer from Zone C	5,392.66
Transfer from Zone D	5,913.97
Transfer from Zone E	<u>24,400.98</u>
Balance carried forward	<u><u>24,400.98</u></u>

The general reserve fund has been established to meet the cost of large, non-regular repair and maintenance work.

11. GENERAL RESERVE - SCH 5	2015
	£
	-
Balance brought forward	-
Transfer from income and expenditure account	<u>-</u>
Balance carried forward	<u><u>-</u></u>

The general reserve fund has been established to meet the cost of large, non-regular repair and maintenance work.

12. GENERAL RESERVE - SCH 6	2015
	£
	-
Balance brought forward	-
Transfer from income and expenditure account	<u>-</u>
Balance carried forward	<u><u>-</u></u>

The general reserve fund has been established to meet the cost of large, non-regular repair and maintenance work.