

SERVICE CHARGE ACCOUNTS

CHELSEA HARBOUR – THAMES QUAY

FOR THE YEAR ENDED 28TH SEPTEMBER 2016



CHELSEA HARBOUR - THAMES QUAY

SERVICE CHARGE ACCOUNTS

FOR THE YEAR TO 28TH SEPTEMBER 2016

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**CHELSEA HARBOUR - THAMES QUAY
MANAGING AGENT'S CERTIFICATE
FOR THE YEAR TO 28TH SEPTEMBER 2016**

PL Management is the Managing Agent responsible for the production of the service charge certificate for the year to 28th September 2016 in respect of Chelsea Harbour - Thames Quay.

I can confirm that this service charge certificate has been produced in compliance with the terms set out in the lease and, where this does not deviate from the lease, in accordance with section 21 (5) of the Landlord and Tenant Act 1985.

I hereby certify that, according to the information available to me, the attached statement of service charge expenditure records the true cost to the landlord of providing services to the property for the year.



.....

Dated 13th March 2017

**Daniel Jones FCCA
Senior Estate Accountant
For and on behalf of PL Management**

ACCOUNTANT'S REPORT OF FACTUAL FINDINGS TO THE MANAGING AGENT OF CHELSEA HARBOUR - THAMES QUAY

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 Chelsea Harbour - Thames Quay. In accordance with our engagement letter we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts and related notes set out on pages 3 to 6 in respect of Chelsea Harbour - Thames Quay for the year to 28th September 2016 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 guidelines 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 Managing Agent;
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 5 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.

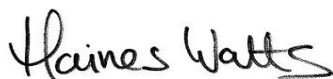
Report of factual findings:

- (a) With respect to item 1 we have 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 5 of the service charge accounts agrees or reconciles to the bank statement for the account in which the funds are held.

Haines Watts
42 High Street
Flitwick
Bedfordshire
MK45 1DU

Chartered Accountants

Signed



Dated

13th March 2017

CHELSEA HARBOUR - THAMES QUAY
ACCOUNTS FOR THE YEAR TO 28TH SEPTEMBER 2016

SUMMARY OF USE OF FUNDS

	2016	2015
	£	£
Service Charges Levied	451,241	442,060
Net Interest Received	184	183
	<hr/> 451,425	<hr/> 442,243
Less: Expenditure	430,686	441,455
Net Surplus for the Year (Note 2)	<hr/> 20,739 <hr/>	<hr/> 788 <hr/>

CHELSEA HARBOUR - THAMES QUAY

DETAILED EXPENDITURE ACCOUNT FOR THE YEAR TO 28TH SEPTEMBER 2016

	2016 Actual £	2016 Estimate £	2015 Actual £
Communal Area Electricity	17,473	23,220	16,654
Wages and Salaries	84,599	89,714	82,508
Water Rates	-	300	-
Security	3,704	3,350	3,447
Electrical Repairs and Maintenance	3,696	9,565	4,498
Lift Repairs and Maintenance	9,441	9,680	7,919
Heating Repairs and Maintenance	-	500	-
Cleaning	14,509	12,558	13,904
Window Cleaning	288	1,570	144
Phone and Radios	150	580	205
Uniforms and Laundry	923	675	337
Fire Prevention and Health and Safety	1,780	5,500	2,041
Sundry Admin Items	2,122	2,400	1,576
Drain Cleaning	766	500	977
Insurance	40,539	41,179	37,504
Internal Repairs and Maintenance	4,749	4,000	1,686
External Repairs and Maintenance	4,397	5,000	5,020
Refuse Removal	-	1,035	-
Village Service Charge Contribution (Note 5)	81,642	75,575	69,855
Pest Control	-	500	180
Festive Decorations	150	250	150
Camera replacement	-	500	-
Accountancy Fees	2,453	2,926	2,656
Legal Fees	91	3,000	33,429
	<hr/> 273,473	<hr/> 294,077	<hr/> 284,690
Management Fee	41,213	41,164	40,765
Reserve Fund Contribution	116,000	116,000	116,000
TOTAL EXPENDITURE	<hr/> 430,686 <hr/>	<hr/> 451,241 <hr/>	<hr/> 441,455 <hr/>

CHELSEA HARBOUR - THAMES QUAY

BALANCE SHEET AS AT 28TH SEPTEMBER 2016

	2016	2015
	£	£
Service Charge Debtors	4,797	11,922
Sundry Debtors and Prepayments	10,546	35,177
Service Charge Bank Account (Note 6)	166,185	129,925
Recharge Bank Account (Note 6)	2,364	6,170
Reserve Bank Account (Note 6)	189,726	659,027
	<hr/>	<hr/>
	373,618	842,221
Less: Sundry Creditors and Accrued Expenses	180,254	62,679
Service Charges Received in Advance	-	6,727
Surplus for Year to be Distributed	20,739	788
	<hr/>	<hr/>
	200,993	70,194
Net Funds at 28th September 2016	<hr/> 172,625 <hr/>	<hr/> 772,027 <hr/>
Represented by:-		
Reserve Funds for Longer Term Maintenance (Note 4)	<hr/> 172,625 <hr/>	<hr/> 772,027 <hr/>

CHELSEA HARBOUR - THAMES QUAY

NOTES TO THE ACCOUNTS FOR THE YEAR TO 28TH SEPTEMBER 2016

1. ACCOUNTING POLICIES

The accounts are prepared on the accruals basis.

2. NET SURPLUS AS AT 28TH SEPTEMBER 2016

The net surplus for the year will be distributed to the residents in accordance with the terms contained within their leasehold agreement or first deed of transfer.

3. TAXATION

The accounts have been prepared on the basis of mutual trading status. Taxation has been accounted on interest received of £1,194 at 20%.

4. RESERVE FUNDS FOR LONGER TERM MAINTENANCE

	<u>Total</u> £
Balance brought forward	772,027
Provision for the year	116,000
Net Interest Received	771
Major Works (Note 7)	(716,173)
Balance at 28th September 2016	<u>172,625</u>

5. VILLAGE CHARGE

The Village charge is set by Chelsea Harbour Limited and relates to actual expenditure incurred in the current year for managing the shared services and facilities of the development.

6. BANK ACCOUNT(S)

All bank accounts for service charge and reserves are held separately in trust and in compliance with Section 42 of the Landlord and Tenant Act 1987. Client money is ring fenced, separate from PL Management's own business accounts. The accounts are held at Barclays Bank Plc, Churchill Place, London E14 5HP and are held in the following account names:-

PL Management Client Account
PLM AMS Client Account

These accounts have instant access and do not have withdrawal restrictions. Limited interest accrues to the accounts, which is credited to the development once any bank charges or other costs associated with administering the accounts have been taken into consideration.

7. MAJOR WORKS

The Major works costs consist of the following:

	£
Lifts Refurbishments *	93,269
Interior Design and Internal Refurbishment *	592,904
Consultancy and Management Fees	30,000
	<u>716,173</u>

* Both the lift refurbishment and internal refurbishment projects were ongoing at the year end and the final costs will be seen in the 2017 service charge accounts.