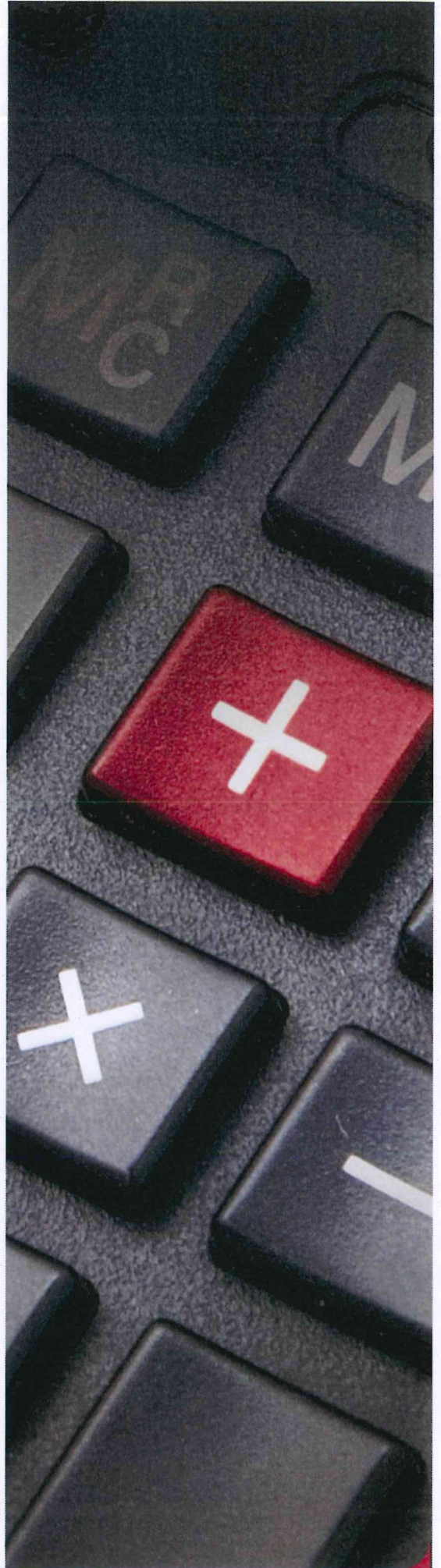


SERVICE CHARGE ACCOUNTS  
CHELSEA HARBOUR – THAMES QUAY  
FOR THE YEAR ENDED 28<sup>TH</sup> SEPTEMBER 2015



**CHELSEA HARBOUR - THAMES QUAY**  
**SERVICE CHARGE ACCOUNTS**  
**FOR THE YEAR TO 28TH SEPTEMBER 2015**

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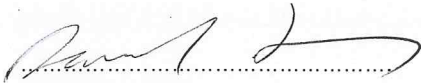
- 1 Managing Agent's Certificate
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**CHELSEA HARBOUR - THAMES QUAY  
MANAGING AGENT'S CERTIFICATE  
FOR THE YEAR TO 28TH SEPTEMBER 2015**

PL Management is the Managing Agent responsible for the production of the service charge certificate for the year 29th September 2014 to 28th September 2015 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.



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

Dated 18th March 2016

## 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 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 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.

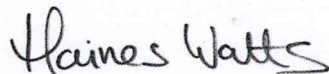
(b) With respect to item 2 we found that those entries in the accounting records that we checked were supported by receipts, other documentation or evidence that we inspected.

(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  
Shefford Business Centre  
71 Hitchin Road  
Shefford  
Beds SG17 5JB

Chartered Accountants

Signed



Dated

11th March 2016



**CHELSEA HARBOUR - THAMES QUAY**  
**ACCOUNTS FOR THE YEAR TO 28TH SEPTEMBER 2015**

**SUMMARY OF USE OF FUNDS**

|  | <b>2015</b>       | <b>2014</b>          |
|--|-------------------|----------------------|
|  | <b>£</b>          | <b>£</b>             |
| Service Charges Levied                   | 442,060           | 443,470              |
| Net Interest Received                    | 183               | 225                  |
|  | <u>442,243</u>    | <u>443,695</u>       |
| Less: Expenditure                        | 441,455           | 432,452              |
| <b>Net Surplus for the Year (Note 2)</b> | <u><u>788</u></u> | <u><u>11,243</u></u> |

CHELSEA HARBOUR - THAMES QUAY

DETAILED EXPENDITURE ACCOUNT FOR THE YEAR TO 28TH SEPTEMBER 2015

|  | 2015<br>Actual        | 2015<br><i>Estimate</i> | 2014<br>Actual        |
|--|-----------------------|-------------------------|-----------------------|
|  | £                     | £                       | £                     |
| Communal Area Electricity                    | 16,654                | 23,220                  | 18,234                |
| Wages and Salaries                           | 82,508                | 86,453                  | 82,859                |
| Water Rates                                  | -                     | 300                     | -                     |
| Security and Mech.Security                   | 3,447                 | 3,350                   | 4,037                 |
| Electrical Repairs and Maintenance           | 4,498                 | 9,565                   | 5,683                 |
| Lift Repairs and Maintenance                 | 7,919                 | 9,680                   | 8,208                 |
| Heating Repairs and Maintenance              | -                     | 500                     | -                     |
| Cleaning                                     | 13,904                | 12,330                  | 12,141                |
| Window Cleaning                              | 144                   | 1,570                   | -                     |
| Phone and Radios                             | 205                   | 580                     | 262                   |
| Uniforms and Laundry                         | 337                   | 675                     | 962                   |
| Fire Prevention and Health and Safety        | 2,041                 | 5,500                   | 2,709                 |
| Sundry Admin Items                           | 1,576                 | 2,400                   | 1,903                 |
| Drain Cleaning                               | 977                   | 500                     | -                     |
| Insurance                                    | 37,504                | 38,138                  | 38,125                |
| Internal Repairs and Maintenance             | 1,686                 | 4,000                   | 1,750                 |
| External Repairs and Maintenance             | 5,020                 | 5,000                   | 11,028                |
| Refuse Removal                               | -                     | 1,035                   | -                     |
| Village Service Charge Contribution (Note 5) | 69,855                | 71,810                  | 78,357                |
| Pest Control                                 | 180                   | 500                     | -                     |
| Estate Management Office                     | -                     | 1,914                   | -                     |
| Festive Decorations                          | 150                   | 250                     | 165                   |
| Camera replacement                           | -                     | 500                     | -                     |
| Accountancy Fees                             | 2,656                 | 2,049                   | 2,315                 |
| Legal Fees (Note 8)                          | 33,429                | 3,131                   | 8,182                 |
|  | <u>284,690</u>        | <u>284,950</u>          | <u>276,921</u>        |
| Management Fee                               | 40,765                | 41,110                  | 39,531                |
| Reserve Fund Contribution                    | 116,000               | 116,000                 | 116,000               |
| <b>TOTAL EXPENDITURE</b>                     | <b><u>441,455</u></b> | <b><u>442,060</u></b>   | <b><u>432,452</u></b> |

**CHELSEA HARBOUR - THAMES QUAY**

**BALANCE SHEET AS AT 28TH SEPTEMBER 2015**

|  | <b>2015</b>               | <b>2014</b>               |
|--|---------------------------|---------------------------|
|  | <b>£</b>                  | <b>£</b>                  |
| Service Charge Debtors                                 | 11,922                    | 10,900                    |
| Sundry Debtors and Prepayments                         | 35,177                    | 25,436                    |
| Service Charge Bank Account (Note 6)                   | 129,925                   | 47,770                    |
| Recharge Bank Account (Note 6)                         | 6,170                     | 5,575                     |
| Reserve Bank Account (Note 6)                          | 659,027                   | 681,938                   |
|  | <u>842,221</u>            | <u>771,619</u>            |
| Less: Sundry Creditors and Accrued Expenses            | 62,679                    | 66,931                    |
| Reserve Accruals                                       | -                         | 3,155                     |
| Service Charges received in Advance                    | 6,727                     | 11,507                    |
| Surplus for Year to be Distributed                     | 788                       | 11,243                    |
|  | <u>70,194</u>             | <u>92,836</u>             |
| <br>Net Funds at 28th September 2015                   | <br><u><u>772,027</u></u> | <br><u><u>678,783</u></u> |
| <br>Represented by:-                                   |                           |                           |
| <br>Reserve Funds for Longer Term Maintenance (Note 4) | <br><u><u>772,027</u></u> | <br><u><u>678,783</u></u> |

## CHELSEA HARBOUR - THAMES QUAY

### NOTES TO THE ACCOUNTS FOR THE YEAR TO 28TH SEPTEMBER 2015

#### 1. ACCOUNTING POLICIES

The accounts are prepared on the accruals basis.

#### 2. NET SURPLUS AS AT 28TH SEPTEMBER 2015

The net surplus at 28th September 2015 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 £1,225 at 20%.

#### 4. RESERVE FUNDS FOR LONGER TERM MAINTENANCE

|                                       | <u>Total</u><br>£            |
|---------------------------------------|------------------------------|
| Balance brought forward               | 678,783                      |
| Net Interest Received                 | 797                          |
| Provision for the year                | 116,000                      |
| Major works (Note 7)                  | (23,553)                     |
| <b>Balance at 28th September 2015</b> | <b><u><u>772,027</u></u></b> |

#### 5. VILLAGE CHARGE

The Village charge is set by Chelsea Harbour Limited and relates to expenditure incurred in managing the shared services and facilities of the development. The costs seen are based on demands received on account for the year along with the balancing charge/credit relating to 2015 plus the balancing charge/credit relating to the prior year accounts for the Village service charge.

#### 6. BANK ACCOUNTS

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:

|   | £                    |
|---|----------------------|
| Installation of disabled Lift             | 14,553               |
| Design Work for Entrance and Common Parts | 9,000                |
|   | <u><u>23,553</u></u> |

These Major Works are an on-going project over 2 years.

#### 8. LEGAL CHARGES

Legal Fees for the year for Thames Quay amounted to £33,429 in relation to the First Tier Tribunal brought by 53 lessees of Chelsea Harbour. The total fees incurred by the Landlord in defending its position over the course of this action amounted to £274,327, Of this amount £199,904 has fallen due in the 2015 accounts with the remainder having fallen in prior years.