

**THE GRAMPIANS
SHEPHERDS BUSH ROAD, LONDON W6
SERVICE CHARGE & RESERVE FUND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

**GLAZERS LTD
CHARTERED ACCOUNTANTS
843 FINCHLEY ROAD
LONDON, NW11 8NA**

ACCOUNTANT'S REPORT OF FACTUAL FINDINGS TO THE MANAGING AGENT OF THE GRAMPIANS

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. In accordance with our engagement, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts for the year ending 31 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 obtain the service charge accounts and check whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of the managing agent;
- 2 We check, based on a sample, whether entries in accounting records were supported by receipts, other documentation or evidence that we inspected; and
- 3 We check whether the balance of service charge monies for this property agreed or reconciled to the bank statements for the accounts 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 accounts 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 for the property agrees or reconciles to the bank statements for the accounts in which the funds are held.



Glazers Limited
Chartered Accountants
843 Finchley Road
London NW11 8NA

16 July 2020

THE GRAMPIANS
SHEPHERDS BUSH ROAD, LONDON W6
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

	2020		2019	
	£	£	£	£
Expenditure				
Staff costs				
Rates/Council Tax	1,154		1,093	
Staff wages	159,598		149,547	
Temporary staff	2,711		7,117	
Rent	15,900		15,400	
Telephone	136		144	
		<u>179,499</u>	<u>173,301</u>	
Boilers				
Gas	74,771		70,808	
Maintenance contract			-	
Repairs	18,528		21,192	
		<u>93,299</u>	<u>92,000</u>	
Cleaning				
Materials	1,396		329	
Pest control	7,788		2,160	
Windows	1,510		1,440	
		<u>10,694</u>	<u>3,929</u>	
Fees				
Accountancy	2,520		2,509	
Management	65,928		64,320	
Professional	2,880		2,389	
		<u>71,328</u>	<u>69,218</u>	
Insurance				
Buildings/ Terrorism/ Engineering		98314		91,698
Maintenance				
Drains & tanks	6,159		5,139	
Fire equipment	1,106		3,327	
		<u>7,265</u>	<u>8,466</u>	
Repairs		22,420		30,596
Health & Safety		1,426		5,360
Gardening		7,128		11,143
Electricity - Common parts		13,262		11,563
Property telephone		262		365
Lift maintenance & repairs		7,390		4,651
Sundries				
General	1,422		1,284	
Security	1,509		813	
Light bulbs	-		439	
Refuse	1,985		1,868	
		<u>4,916</u>	<u>4,403</u>	
Total Service Charge Expenditure carried forward		<u><u>517,203</u></u>		<u><u>506,693</u></u>

THE GRAMPIANS
SHEPHERDS BUSH ROAD, LONDON W6
SERVICE CHARGE ACCOUNTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Total Service Charge Expenditure brought forward	517,203	506,693
Arrears interest receivable	(1,605)	(1,276)
Bank interest received	<u>-</u>	<u>-</u>
	515,597	505,417
<u>Service charges receivable in the year</u>		
Contributions receivable on account	506,693	494,151
	<u> </u>	<u> </u>
(Deficit) for the year	<u><u>(8,905)</u></u>	<u><u>(11,266)</u></u>

**THE GRAMPIANS
SHEPHERDS BUSH ROAD, LONDON W6
BALANCE SHEET**

AS AT 31 MARCH 2020

	2020	2019
	£	£
ASSETS		
Bank (funds held by managing agent - see note 2)	1,048,130	804,832
Lessees arrears	13,130	23,133
Service charge (deficit)	8,905	11,266
Other debtors and prepayments	97,232	86,216
	<u>1,167,398</u>	<u>925,447</u>
LIABILITIES		
Receipts in advance from lessees	180,025	171,873
Other creditors and accruals	158,400	94,924
	<u>338,425</u>	<u>266,797</u>
NET ASSETS	<u><u>828,973</u></u>	<u><u>658,650</u></u>
REPRESENTED BY:		
RESERVE FUNDS (see note 4)		
General reserve	583,493	279,063
Pipe replacement reserve	<u>245,480</u>	<u>379,587</u>
	<u><u>828,973</u></u>	<u><u>658,650</u></u>

THE GRAMPIANS
SHEPHERDS BUSH ROAD, LONDON W6
NOTES TO THE SERVICE CHARGE & RESERVE FUND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policy

These accounts have been prepared on the accruals basis.

2 Tax provided on bank interest received

Service charge & reserve fund monies are held in trust in accordance with section 42, Landlord and Tenant Act 1987. Interest earned on service charge & reserve fund 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%.

3 Cash at bank

Service Charge and Reserve Fund monies were held in trust in a designated bank account at Barclays Bank Plc, 1 Churchill Place, London EC14 5HP in the name of "Esskay Management Services Designated Client Account For The Grampians".

4 Reserve Funds

	General Reserve		Pipe Replacement Reserve	
	£	£	£	£
Balance brought forward		279,063		379,587
Add: Contributions receivable for the year		299,999		-
Bank interest received (net of tax)		4,431		-
		<u>583,493</u>		<u>379,587</u>
Deduct: Costs incurred for the year				
Heating boiler replacement	-		90,787	
Temporary boiler hire	-		40,320	
Professional fees	-		3,000	
		<u>-</u>	<u>134,107</u>	
Balance carried forward		<u><u>583,493</u></u>		<u><u>245,480</u></u>

The Reserve Funds have been established to meet the cost of major cyclical (non-annual) repairs and maintenance work. The present level of these funds may prove insufficient when major works become due and, in that case, additional levies may be made when required.

5 Managing agent declaration

Other than the fees for which invoices have been raised directly, Esskay Management Services did not receive any fees or commissions during the year in relation to the stated service charge expenditure in these accounts.

THE GRAMPIANS
SHEPHERDS BUSH ROAD, LONDON W6
NOTES TO THE SERVICE CHARGE & RESERVE FUND ACCOUNTS (Contd)

FOR THE YEAR ENDED 31 MARCH 2020

6 Three year Comparison	2020	2019	2018
	£	£	£
Service charge Expenditure			
Staff costs	179,499	173,301	167,150
Boilers	93,299	92,000	88,556
Cleaning	10,694	3,929	7,469
Fees	71,328	69,218	73,465
Insurance	98,314	91,698	89,371
Maintenance	7,265	8,466	7,024
Repairs	22,420	30,596	28,958
Health & Safety	1,426	5,360	3,317
Gardening	7,128	11,143	4,647
Electricity - Common parts	13,262	11,563	11,649
Property telephone	262	365	361
Lift maintenance & repairs	7,390	4,651	5,095
Sundries	4,916	4,403	7,089
	<u>517,203</u>	<u>506,693</u>	<u>494,151</u>
Arrears interest receivable	(1,605)	(1,276)	(1,209)
Bank interest received	-	-	-
	<u>515,597</u>	<u>505,417</u>	<u>492,942</u>
Reserve Fund Expenditure			
Roof works	-	-	287,349
Roof H&S works	-	10,896	-
Lift H&S work	-	41,681	-
Heating boiler replacement	90,787	-	-
Temporary boiler hire	40,320	-	-
Professional fees	3,000	3,715	26,264
	<u>134,107</u>	<u>56,292</u>	<u>313,613</u>