

**THE GRAMPIANS  
SHEPHERDS BUSH ROAD, LONDON W6  
SERVICE CHARGE & RESERVE FUND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**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 2021 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

19 July 2021

**THE GRAMPIANS  
SHEPHERDS BUSH ROAD, LONDON W6  
SERVICE CHARGE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021		2020	
	£	£	£	£
<b>Expenditure</b>				
Staff costs				
Rates/Council Tax	1,191		1,154	
Staff wages	168,390		159,598	
Temporary staff	8,571		2,711	
Rent	16,250		15,900	
Telephone	284		136	
		194,686		179,499
Boilers				
Gas	63,693		74,771	
Repairs	23,618		18,528	
		87,312		93,299
Cleaning				
Materials	1,831		1,396	
Pest control	2,160		7,788	
Windows	1,425		1,510	
		5,416		10,694
Fees				
Accountancy	2,556		2,520	
Management	67,572		65,928	
Professional	1,652		2,880	
		71,780		71,328
Insurance				
Buildings/ Terrorism/ Engineering		101,577		98,314
Maintenance				
Drains & tanks	3,603		6,159	
Fire equipment	1,152		1,106	
		4,755		7,265
Repairs		23,568		22,420
Health & Safety		2,437		1,426
Gardening		5,073		7,128
Electricity - Common parts		12,594		13,262
Property telephone		211		262
Lift maintenance & repairs		6,540		7,390
Sundries				
General	1,367		1,422	
Security	3,594		1,509	
Refuse	1,976		1,985	
		6,937		4,916
Total Service Charge Expenditure carried forward		<u>522,885</u>		<u>517,203</u>

**THE GRAMPIANS**  
**SHEPHERDS BUSH ROAD, LONDON W6**  
**SERVICE CHARGE ACCOUNTS (Contd)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Total Service Charge Expenditure brought forward	522,885	517,203
Arrears interest receivable	<u>( 1,083 )</u>	<u>( 1,605 )</u>
	521,803	515,597
<u>Service charges receivable in the year</u>		
Contributions receivable on account	517,203	506,693
	<u>                    </u>	<u>                    </u>
(Deficit) for the year	<u><u>( 4,600 )</u></u>	<u><u>( 8,905 )</u></u>

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

**AS AT 31 MARCH 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>ASSETS</b>		
Bank (funds held by managing agent - see note 2)	1,211,699	1,048,130
Lessees arrears	23,003	13,130
Service charge (deficit)	4,600	8,905
Other debtors and prepayments	101,511	97,232
	<u>1,340,812</u>	<u>1,167,398</u>
<b>LIABILITIES</b>		
Receipts in advance from lessees	216,126	180,025
Other creditors and accruals	91,862	158,400
	<u>307,988</u>	<u>338,425</u>
<b>NET ASSETS</b>	<u><u>1,032,824</u></u>	<u><u>828,973</u></u>
<b>REPRESENTED BY:</b>		
<b>RESERVE FUNDS</b> (see note 4)		
General reserve	782,570	583,493
Pipe replacement reserve	250,254	245,480
	<u><u>1,032,824</u></u>	<u><u>828,973</u></u>

**THE GRAMPIANS**  
**SHEPHERDS BUSH ROAD, LONDON W6**  
**NOTES TO THE SERVICE CHARGE & RESERVE FUND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**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		583,493		245,480
Add: Contributions receivable for the year		235,000		75,000
Bank interest received		182		-
		<u>818,674</u>		<u>320,480</u>
Deduct: Costs incurred for the year				
Tax on interest	554		-	
Heating plant replacement	-		70,227	
General repairs	<u>35,550</u>		<u>-</u>	
		<u>( 36,104 )</u>		<u>( 70,227 )</u>
Balance carried forward		<u><u>782,570</u></u>		<u><u>250,254</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 2021**

<b>6 Three year Comparison</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Service charge Expenditure</b>			
Staff costs	194,686	179,499	173,301
Boilers	87,312	93,299	92,000
Cleaning	5,416	10,694	3,929
Fees	71,780	71,328	69,218
Insurance	101,577	98,314	91,698
Maintenance	4,755	7,265	8,466
Repairs	23,568	22,420	30,596
Health & Safety	2,437	1,426	5,360
Gardening	5,073	7,128	11,143
Electricity - Common parts	12,594	13,262	11,563
Property telephone	211	262	365
Lift maintenance & repairs	6,540	7,390	4,651
Sundries	6,937	4,916	4,403
	<u>522,885</u>	<u>517,203</u>	<u>506,693</u>
Arrears interest receivable	( 1,083 )	( 1,605 )	( 1,276 )
	<u>521,803</u>	<u>515,597</u>	<u>505,417</u>
<b>Reserve Fund Expenditure</b>			
Roof H&S works	-	-	10,896
Lift H&S work	-	-	41,681
Heating boiler replacement	70,227	90,787	-
Temporary boiler hire	-	40,320	-
Tax on interest	554	-	-
Professional fees	-	3,000	3,715
General repairs	35,550	-	-
	<u>106,330</u>	<u>134,107</u>	<u>56,292</u>