

THE OLD QUARTER
SERVICE CHARGE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2012



ORMEROD RUTTER LIMITED

CHARTERED ACCOUNTANTS

THE OLD QUARTER
FOR THE YEAR ENDED 30TH SEPTEMBER 2012
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AUDITORS' REPORT
THE OLD QUARTER
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

We have examined the service charge financial statements on pages 2 to 16.

This report is made solely to the management company in the respect of its duties with regard to the service charge in accordance with the lease and/or transfer documentation. Our work has been undertaken so that we might state to the management company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management company for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the management company and auditors

Spentent Limited is responsible for the preparation of service charge financial statements in respect of the costs of The Old Quarter.

It is our responsibility to form an independent opinion, based on our examination, on the service charge financial statements and to report our opinion to you.

Basis of opinion

Our work includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the service charge financial statements.

We planned and performed our examination so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to find reasonable assurance that the service charge financial statements are a fair summary of the costs relating to The Old Quarter and are sufficiently supported by accounts, receipts and other documents. In view of the purpose for which this service charge statement has been prepared, however, we did not evaluate the overall adequacy of the presentation of the information which would have been required if we were to express an audit opinion under the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

Opinion

In our opinion, the service charge financial statements present a fair summary of costs for the year ended 30th September 2012 and are sufficiently supported by accounts, receipts and other documents.



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Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich Spa
Worcestershire
WR9 9AY

Date: 14th February 2013

THE OLD QUARTER
STATEMENT OF SERVICE CHARGE EXPENDITURE
APARTMENT 1 SERVICE CHARGE
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	Actual	Budget	Variance
	£	£	£
Maintenance costs			(Over)/under
Communal cleaning	858	700	(158)
Window cleaning	158	135	(23)
Carpet cleaning	-	50	50
Gutter clearance	-	50	50
Communal electricity	214	250	36
Day to day maintenance	94	130	36
Consumables and light bulbs	34	20	(14)
Door entry system	-	50	50
TV and satellite	-	25	25
Fire risk assessment	32	90	58
Emergency lighting	13	75	62
Auto opening vent	18	100	82
Fire alarm maintenance	18	100	82
Insurance	1,457	1,650	193
	<u>2,896</u>	<u>3,425</u>	<u>529</u>
Contribution to reserves			
Renewals sinking fund	820	820	-
Cyclical maintenance reserve fund	470	470	-
	<u>1,290</u>	<u>1,290</u>	<u>-</u>
Total service charge net expenditure	<u>£ 4,186</u>	<u>£ 4,715</u>	<u>£ 529</u>

THE OLD QUARTER

STATEMENT OF SERVICE CHARGE EXPENDITURE
APARTMENT 2 SERVICE CHARGE

FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	Actual	Budget	Variance
	£	£	£
Maintenance costs			(Over)/under
Communal cleaning	1,341	1,200	(141)
Window cleaning	149	100	(49)
Carpet cleaning	-	50	50
Gutter clearance	-	50	50
Communal electricity	342	400	58
Day to day maintenance	1,022	150	(872)
Consumables and light bulbs	252	100	(152)
Door entry system	119	50	(69)
TV and satellite maintenance	-	50	50
Fire risk assessment	72	200	128
Emergency lighting	18	100	82
Auto opening vent	9	50	41
Fire alarm maintenance	18	100	82
Insurance	2,897	3,280	383
	<u>6,239</u>	<u>5,880</u>	<u>(359)</u>
Contribution to reserves			
Renewals sinking fund	1,950	1,950	-
Cyclical maintenance reserve fund	740	740	-
	<u>2,690</u>	<u>2,690</u>	<u>-</u>
Total service charge net expenditure	<u>£ 8,929</u>	<u>£ 8,570</u>	<u>£ (359)</u>

THE OLD QUARTER

STATEMENT OF SERVICE CHARGE EXPENDITURE
APARTMENT 3 SERVICE CHARGE

FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	Actual	Budget	Variance
	£	£	£
Maintenance costs			(Over)/under
Communal cleaning	858	700	(158)
Window cleaning	125	100	(25)
Carpet cleaning	-	50	50
Gutter clearance	-	50	50
Communal electricity	184	215	31
Day to day maintenance	124	100	(24)
Consumables and light bulbs	50	50	-
Door entry system	-	50	50
TV and satellite maintenance	-	50	50
Fire risk assessment	36	100	64
Emergency lighting	11	60	49
Auto opening vent	9	50	41
Fire alarm maintenance	18	100	82
Insurance	1,457	1,650	193
	<u>2,872</u>	<u>3,325</u>	<u>453</u>
Contribution to reserves			
Renewals sinking fund	820	820	-
Cyclical maintenance reserve fund	470	470	-
	<u>1,290</u>	<u>1,290</u>	<u>-</u>
Total service charge net expenditure	<u>£ 4,162</u>	<u>£ 4,615</u>	<u>£ 453</u>

THE OLD QUARTER

**STATEMENT OF SERVICE CHARGE EXPENDITURE
APARTMENT 38 SERVICE CHARGE**

FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	Actual	Budget	Variance
	£	£	£
Maintenance costs			(Over)/under
Communal cleaning	536	500	(36)
Window cleaning	45	25	(20)
Carpet cleaning	-	50	50
Gutter clearance	-	50	50
Communal electricity	171	200	29
Day to day maintenance	235	100	(135)
Consumables and light bulbs	34	50	16
Door entry system	-	50	50
TV and satellite maintenance	-	50	50
Fire risk assessment	18	50	32
Emergency lighting	9	50	41
Auto opening vent	9	50	41
Fire alarm maintenance	9	50	41
Insurance	1,209	1,370	161
	<u>2,275</u>	<u>2,645</u>	<u>370</u>
Contribution to reserves			
Renewals sinking fund	550	550	-
Cyclical maintenance reserve fund	2,230	2,230	-
	<u>2,780</u>	<u>2,780</u>	<u>-</u>
Total service charge net expenditure	<u>£ 5,055</u>	<u>£ 5,425</u>	<u>£ 370</u>

THE OLD QUARTER

STATEMENT OF SERVICE CHARGE EXPENDITURE
APARTMENT 42 SERVICE CHARGE

FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	Actual	Budget	Variance
	£	£	£
Maintenance costs			(Over)/under
Communal cleaning	644	500	(144)
Window cleaning	125	100	(25)
Carpet cleaning	-	50	50
Gutter clearance	-	50	50
Communal electricity	235	275	40
Day to day maintenance	78	150	72
Consumables and light bulbs	50	50	-
Door entry system	-	50	50
TV and satellite maintenance	-	50	50
Fire risk assessment	72	200	128
Emergency lighting	9	50	41
Fire alarm maintenance	18	100	82
Insurance	1,209	1,370	161
	<u>2,440</u>	<u>2,995</u>	<u>555</u>
Contribution to reserves			
Renewals sinking fund	540	540	-
Cyclical maintenance reserve fund	2,470	2,470	-
	<u>3,010</u>	<u>3,010</u>	<u>-</u>
Total service charge net expenditure	<u>£ 5,450</u>	<u>£ 6,005</u>	<u>£ 555</u>

THE OLD QUARTER
STATEMENT OF SERVICE CHARGE EXPENDITURE
APARTMENT 37 SERVICE CHARGE
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	Actual	Budget	Variance
	£	£	£
Maintenance costs			(Over)/under
Communal cleaning	536	400	(136)
Carpet cleaning	-	50	50
Communal electricity	-	175	175
Day to day maintenance	968	100	(868)
Consumables and light bulbs	88	50	(38)
Door entry system	-	50	50
Emergency lighting	13	70	57
Auto opening vent	9	50	41
	<u>1,614</u>	<u>945</u>	<u>(669)</u>
Contribution to reserves			
Renewals sinking fund	650	650	-
Cyclical maintenance reserve fund	460	460	-
	<u>1,110</u>	<u>1,110</u>	<u>-</u>
Total service charge net expenditure	<u>£ 2,724</u>	<u>£ 2,055</u>	<u>£ (669)</u>

THE OLD QUARTER
STATEMENT OF SERVICE CHARGE EXPENDITURE
BUILDING 37 SERVICE CHARGE
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	Actual	Budget	Variance
	£	£	£
Maintenance costs			(Over)/under
Window cleaning	117	100	(17)
Gutter clearance	-	50	50
Day to day maintenance	62	50	(12)
TV and satellite maintenance	-	50	50
Fire risk assessment	47	130	83
Fire alarm maintenance	18	100	82
Insurance	971	1,100	129
Professional fee	-	500	500
Communal electricity	150	-	(150)
	<u>1,365</u>	<u>2,080</u>	<u>715</u>
Contribution to reserves			
Renewals sinking fund	270	270	-
Cyclical maintenance reserve fund	800	800	-
	<u>1,070</u>	<u>1,070</u>	<u>-</u>
Total service charge net expenditure	<u>£ 2,435</u>	<u>£ 3,150</u>	<u>£ 715</u>

THE OLD QUARTER
STATEMENT OF SERVICE CHARGE EXPENDITURE
ESTATE SERVICE CHARGE
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	Actual	Budget	Variance
	£	£	£
Maintenance costs			(Over)/under
Bin store cleaning	178	250	72
Drain and gulley clearance	492	300	(192)
Grounds maintenance	2,400	2,500	100
External communal electricity	684	800	116
Day to day maintenance	848	200	(648)
Out of hours	190	190	-
Consumables and light bulbs	67	100	33
Pest control	872	200	(672)
	<u>5,731</u>	<u>4,540</u>	<u>(1,191)</u>
Car park costs			
Car park cleaning	-	250	250
Day to day maintenance	-	200	200
Vehicle gate maintenance	5,372	500	(4,872)
	<u>5,372</u>	<u>950</u>	<u>(4,422)</u>
Management and administration			
Management fee	8,975	8,730	(245)
Accountancy fee	224	210	(14)
Auditors fee	610	560	(50)
Bank charges (net of interest received)	40	100	60
Professional fee	-	1,000	1,000
	<u>9,849</u>	<u>10,600</u>	<u>751</u>
Contribution to reserves			
Renewals sinking fund	980	980	-
Cyclical maintenance reserve fund	250	250	-
	<u>1,230</u>	<u>1,230</u>	<u>-</u>
Total service charge net expenditure	<u>£ 22,182</u>	<u>£ 17,320</u>	<u>£ (4,862)</u>

THE OLD QUARTER

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	<i>Newport House</i> Apartment 1 Service Charge £	<i>Southwich H.S.</i> Apartment 2 Service Charge £	<i>Croft House</i> Apartment 3 Service Charge £
Total income			
Charged on account	4,715	8,570	4,615
Total expenditure			
Total fund expenditure	(4,186)	(8,929)	(4,162)
Surplus/(deficit) due to/ from leaseholder	<u>£ 529</u>	<u>£ (359)</u>	<u>£ 453</u>
	<i>Scott</i> Apartment 38 Service Charge £	<i>Vileths</i> Apartment 42 Service Charge £	<i>Benjamin</i> Building 37 Service Charge £
Total income			
Charged on account	5,425	6,005	3,150
Total expenditure			
Total fund expenditure	(5,055)	(5,450)	(2,435)
Surplus/(deficit) due to/ from leaseholder	<u>£ 370</u>	<u>£ 555</u>	<u>£ 715</u>
	<i>Benjamin</i> Apartment 37 Service Charge £	Estate Service Charge £	Total Service Charge £
Total income			
Charged on account	2,055	17,320	51,855
Total expenditure			
Total fund expenditure	(2,724)	(22,182)	(55,123)
Surplus/(deficit) due to/ from leaseholder	<u>£ (669)</u>	<u>£ (4,862)</u>	<u>£ (3,268)</u>

THE OLD QUARTER

STATEMENT OF SPECIAL FUNDS

FOR THE YEAR ENDED 30TH SEPTEMBER 2012

APARTMENT 1 SERVICE CHARGE

	Renewals Sinking Fund £	Cyclical Maintenance Reserve Fund £
Balance brought forward	2,442	1,400
Transfers into funds		
Service charge contributions	820	470
Balance carried to balance sheet	<u>£ 3,262</u>	<u>£ 1,870</u>

Newport

APARTMENT 2 SERVICE CHARGE (*Southwick House*).

	Renewals Sinking Fund £	Cyclical Maintenance Reserve Fund £
Balance brought forward	5,095	2,204
Transfers into funds		
Service charge contributions	1,950	740
Balance carried to balance sheet	<u>£ 7,045</u>	<u>£ 2,944</u>

APARTMENT 3 SERVICE CHARGE (*Croft House*).

	Renewals Sinking Fund £	Cyclical Maintenance Reserve Fund £
Balance brought forward	2,442	1,400
Transfers into funds		
Service charge contributions	820	470
Balance carried to balance sheet	<u>£ 3,262</u>	<u>£ 1,870</u>

THE OLD QUARTER
STATEMENT OF SPECIAL FUNDS

FOR THE YEAR ENDED 30TH SEPTEMBER 2012

APARTMENT 38 SERVICE CHARGE

	Renewals Sinking Fund £	Cyclical Maintenance Reserve Fund £	
Balance brought forward	1,638	6,641	
Transfers into funds			
Service charge contributions	550	2,230	
Balance carried to balance sheet	<u>£ 2,188</u>	<u>£ 8,871</u>	<i>Scott House</i>

APARTMENT 42 SERVICE CHARGE

	Renewals Sinking Fund £	Cyclical Maintenance Reserve Fund £	
Balance brought forward	1,608	7,356	
Transfers into funds			
Service charge contributions	540	2,470	
Balance carried to balance sheet	<u>£ 2,148</u>	<u>£ 9,826</u>	<i>Villets House</i>

BUILDING 37 SERVICE CHARGE

	Renewals Sinking Fund £	Cyclical Maintenance Reserve Fund £	
Balance brought forward	804	2,382	
Transfers into funds			
Service charge contributions	270	800	
Balance carried to balance sheet	<u>£ 1,074</u>	<u>£ 3,182</u>	<i>Benjamin</i>

THE OLD QUARTER
STATEMENT OF SPECIAL FUNDS

FOR THE YEAR ENDED 30TH SEPTEMBER 2012

APARTMENT 37 SERVICE CHARGE

	Renewals Sinking Fund £	Cyclical Maintenance Reserve Fund £
Balance brought forward	1,336	1,370
Transfers into funds		
Service charge contributions	650	460
Balance carried to balance sheet	<u>£ 1,986</u>	<u>£ 1,830</u>

Beljevan

ESTATE SERVICE CHARGE *Whole site*

	Renewals Sinking Fund £	Cyclical Maintenance Reserve Fund £
Balance brought forward	187	48
Transfers into funds		
Service charge contributions	980	250
Balance carried to balance sheet	<u>£ 1,167</u>	<u>£ 298</u>

THE OLD QUARTER
SERVICE CHARGE FUNDS BALANCE SHEET
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	£	£
Current assets		
Stocks	649	
Debtors	4,909	
Other debtors	938	
Prepayments	2,311	
Bank accounts	45,424	
	54,231	
Current liabilities		
Creditors	448	
Other creditors	775	
Payments on account	861	
Accruals	2,592	
	4,676	
Net current assets		49,555
Total assets less liabilities		£ 49,555
Represented by:		
Apartment 1 service charge		
Prior year surplus	356	
Repaid to residents in year	(356)	
Surplus	529	529
Apartment 2 service charge		
Prior year surplus	529	
Repaid to residents in year	(529)	
Deficit due from residents	(359)	(359)
Apartment 3 service charge		
Prior year surplus	420	
Repaid to residents in year	(420)	
Surplus	453	453
Apartment 38 service charge		
Prior year surplus	339	
Repaid to residents in year	(339)	
Surplus	370	370
Apartment 42 service charge		
Prior year surplus	262	
Repaid to residents in year	(262)	
Surplus	555	555

THE OLD QUARTER
SERVICE CHARGE FUNDS BALANCE SHEET
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

	£	£
Building 37 service charge		
Prior year surplus	488	
Repaid to residents in year	(488)	
Surplus	715	715
Apartment 37 service charge		
Prior year surplus	457	
Repaid to residents in year	(457)	
Deficit due from residents	(669)	(669)
Estate service charge		
Prior year deficit	(294)	
Repaid by residents in year	294	
Deficit due from residents	(4,862)	(4,862)
 Total sinking funds		 52,823
Total funds		£ 49,555

THE OLD QUARTER
NOTES TO THE SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

1 Accounting policies

The accounts are prepared in accordance with the provisions of the lease and on the accruals basis.

2 Bank account

All service charge monies are held in trust within individual CMS (Clients' Monies Service) bank accounts with NatWest Bank Plc, West Bromwich, West Midlands.