



FREEMONT

PROPERTY MANAGERS

Towpath Gardens, Swindon

Service Charge Accounts

Year Ended 31 December 2018





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Towpath Gardens, Swindon

Year Ended 31 December 2018

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FREEMONT

PROPERTY MANAGERS

Towpath Gardens, Swindon

Service Charge Accounts Information

Year Ended 31 December 2018

Landlord

Resman Nominees Limited
Prospect Place
Moorside Road
Winchester
Hampshire
SO23 7RX

Managing Agent

Freemont Property Managers Limited
3 The Old School The Square
Pennington
Lymington
Hampshire
SO41 8GN

Accountants

Pass-Accounting Limited
2 Dickens Drive
Whiteley
Fareham
Hampshire
PO15 7LZ

Towpath Gardens, Swindon

Accountants Certificate

**For the Accounting period from
1st January 2018 to 31st December 2018**

Accountants' report of factual findings to the Managing Agents of the property named above.

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 the above named property. In accordance with our engagement letter we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts for the period as stated above 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 Agents for issue with the service charge supplementary information in accordance with the terms of our engagement. Our work has been undertaken to enable us to make this report to the Managing Agents and for no further purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Managing Agents for our work or for this report.

Basis of report

Our work was carried out having regard to TECH 03/11 "Residents 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 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 landlord;
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 agreed or reconciled to the bank statement(s) for the account(s) 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 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 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 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 in the service charge accounts agrees or reconciles to the bank statement for the account(s) in which the funds are held.


Deana Tidby F.C.C.A.

05/07/2019

DATE: _____

co. Pass-Accounting Limited
2 Dickens Drive
Whiteley
Fareham
Hampshire
PO15 7LZ

Towpath Gardens, Swindon

Accounts for the year ended 31 December 2018

Income & Expenditure Account

Service Charge

	Note	2018 Actual	2018 Budget	Variance	2017 Actual
Income					
Service Charge Income		20,052.72	20,053.00	(0.28)	19,008.72
Other Income	2	10.10	-	10.10	-
		<u>20,062.82</u>	<u>20,053.00</u>	<u>9.82</u>	<u>19,008.72</u>
Expenditure					
Manager/ Emergency Call					
Communal Services					
Insurance		6,807.58	6,656.00	(151.58)	6,395.98
Electricity		1,021.08	1,100.00	78.92	1,282.04
Cleaning		2,948.40	2,795.00	(153.40)	3,260.40
Landscaping		780.00	720.00	(60.00)	600.00
Repairs & Maintenance					
Fire System/Smoke Detection/AOV/Extinguishers		653.48	200.00	(453.48)	2,034.22
General Repairs		2,762.40	2,000.00	(762.40)	3,695.96
Health and Safety		-	284.00	284.00	-
Reserve Funds					
Contribution to Reserves	4	1,000.00	1,000.00	-	-
Professional Fees					
Management fees		4,320.00	4,320.00	-	4,320.00
Accounting Fees		660.00	750.00	90.00	825.00
Accounts Preparation Fees		(60.00)	84.00	144.00	84.00
Bank charges		-	144.00	144.00	168.00
Other Professional services		-	-	-	1,242.00
Total Expenditure		<u>20,892.94</u>	<u>20,053.00</u>	<u>(839.94)</u>	<u>23,907.60</u>
(Deficit)		<u>(830.12)</u>	<u>-</u>	<u>(830.12)</u>	<u>(4,898.88)</u>

Towpath Gardens, Swindon

Balance Sheet as at 31 December 2018

	Notes	2018 £	2017 £
Assets			
Cash at bank	3	26,633.04	16,180.26
Service Charge Debtors		3,570.35	3,433.88
Other Debtors		20.00	59.31
Prepayments		1,543.16	1,464.40
Deficit for the period		830.12	4,898.88
		<u>32,596.67</u>	<u>26,036.73</u>
Liabilities			
Supplier creditors		1,489.70	-
Other creditors		-	150.71
Service Charge received in advance		5,086.41	-
Accruals		21,016.91	21,885.77
		<u>27,593.02</u>	<u>22,036.48</u>
NET ASSETS		<u>5,003.65</u>	<u>4,000.25</u>
Represented by:-			
Reserve Fund	4 & 5	5,003.65	4,000.25
		<u>5,003.65</u>	<u>4,000.25</u>



For and on behalf of Freemont Property Managers Limited
5 July 2019

Notes to the Service Charge Accounts

Towpath Gardens, Swindon

for the Year Ended 31 December 2018

1. Accounting Policies

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

2. Other Income

Bank interest receivable £10.10.

3. Bank Account

All Client Monies were held by way of a statutory trust, in a designated Client Bank Account at NatWest Bank plc, Southampton High Street Branch, 12 High Street, Southampton, under the title SDL Bigwood Limited Client Service Account Towpath Gardens until 31st July 2018.

All Client Monies are held by way of a statutory trust, in a designated Client Bank Account at Barclays plc, Lymington High Street Branch, under the title Freemont Property Managers Limited Residents of Towpath Gardens, in accordance with Section 42 and Section 42A of the Landlord and Tenant Act 1987.

4. Reserve Fund

Balance Brought Forward	4,000.25
Provision in the Period	
Contribution in the period	1,000.00
Bank Interest Received	3.40
Balance carried forward	<u>5,003.65</u>

Notes to the Service Charge Accounts

Towpath Gardens, Swindon

for the Year Ended 31 December 2018

5. Reserve Fund

The Reserve Fund has been established to provide funds in order to pay for major repairs which are expected to arise in the future.

The present level of these funds may prove insufficient, given the uncertainty as to when such costs may arise. Any shortfall in these funds resulting from expenditure incurred will be charged to the Income and Expenditure Account in that year.

6. Tax on Interest received

A Service Charge Trust has been established by Section 42 of the Landlord & Tenant Act 1987 and the Lease. Interest earned on service charge 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% (2017: 20%).

7. Change of Management

Management of the Development changed from SDL Bigwood to Freemont Property Managers Limited on 31st July 2018. These accounts incorporate the transactions from the full period representing both periods of management.