

**MITRE HOUSE**

**124 KINGS ROAD, LONDON SW3**

**SERVICE CHARGE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

**MITRE HOUSE**

**124 KINGS ROAD, LONDON SW3**

**LANDLORD**

Mitre House Management Limited  
c/o Permbertons Professionals  
Peterden House  
1a Leighton Road  
West Ealing  
London  
W13 9EL

**LANDLORD (to 11 September 2011)**

Rivers Edge Properties Limited  
16 Hans Road  
London  
SW3 1RT

**MANAGING AGENTS**

Kinleigh Folkard & Hayward Limited  
KFH House  
5 Compton Road  
Wimbledon  
London  
SW19 7QA

**AUDITORS**

Elliotts Shah  
Chartered Accountants and Statutory Auditors  
2nd Floor York House  
23 Kingsway  
London WC2B 6UJ

MITRE HOUSE

124 KINGS ROAD, LONDON SW3

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## REPORT OF THE AUDITORS

### TO MITRE HOUSE MANAGEMENT LIMITED

We have examined the service charge statement set out on pages 4-5 in respect of Mitre House for the year ended 31 December 2011 together with the books and records maintained by Managing Agent, in so far as they relate to Mitre House.

This report is made to the Landlord for issue with the service charge statement in accordance with Section 21 of the Landlord and Tenant Act 1985. Our work has been undertaken to enable us to make this report to the Landlord and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Landlord for our work or for this report.

Under the terms of this engagement, we were not required to, and did not, form any opinion as to either the reasonableness of the costs included within the service charge statement or the standard of the services or works provided.

#### **Respective responsibilities of the Landlord and auditors**

Under the Landlord and Tenant Act 1985 Section 21 (5), the Landlord is responsible for the preparation of this service charge statement in respect of the costs in respect of Mitre House.

It is our responsibility to form an independent opinion, based on our examination, on the service charge account and to report our opinion exclusively to the Landlord.

#### **Basis of opinion**

Our works included examination of evidence relevant to the amounts included in the statement and their disclosure. It also included an assessment of the significant estimates and judgements made by the Landlord in the preparation of the service charge statement.

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 give reasonable assurance that the service charge statement is a fair summary of the relevant costs incurred and is sufficiently supported by accounts, receipts and other documents which have been made available to us.

In performing our work, 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

#### **Opinion**

In our opinion the service charge statement presents a fair summary of the relevant costs incurred for the year ended 31 December 2011, is sufficiently supported by accounts, receipts and other documents and has been prepared in accordance with Section 21 (5) of the Landlord and Tenant Act 1985.

*Elliotts Shah*

Elliotts Shah  
Chartered Accountants and Statutory Auditors  
2nd Floor York House  
23 Kingsway  
London WC2B 6UJ

Dated: 1 March 2012

MITRE HOUSE  
124 KINGS ROAD, LONDON SW3  
SERVICE CHARGE ACCOUNT  
STATEMENT OF EXPENDITURE ON PROVISION OF SERVICES  
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011		2010	
	£	£	£	£
Cleaning contract		2,193		2,112
Electricity - common parts		705		900
General repairs				
<i>External repairs - minor</i>	1,932		-	
<i>Electrical repairs</i>	-		173	
<i>Locks, keys &amp; door repairs</i>	(1)		156	
<i>Plumbing Repairs</i>	960		-	
	<u>          </u>	2,891	<u>          </u>	329
Door entry system		211		304
Drain cleaning & maintenance		216		1,303
Fire equipment maintenance		243		302
Insurance				
<i>Building</i>	1,674		1,394	
<i>Engineering</i>	379		396	
	<u>          </u>	2,053	<u>          </u>	1,790
Lift				
<i>Maintenance</i>	1,362		1,295	
<i>Repairs</i>	596		1,443	
	<u>          </u>	1,958	<u>          </u>	2,738
Lift telephone		286		284
Sundries				
<i>Light bulbs</i>	59		-	
<i>Other items</i>	61		48	
	<u>          </u>	120	<u>          </u>	48
Professional fees		-		745
Auditors fees		1,365		1,300
Managing agents fees		3,915		3,740
<b>Service charge expenditure</b>		<u>16,156</u>		<u>15,895</u>
Landlord & Tenant Act Interest		(13)		(19)
		<u>16,143</u>		<u>15,876</u>
<b>Carried forward</b>		<u>16,143</u>		<u>15,876</u>

**MITRE HOUSE**  
**124 KINGS ROAD, LONDON SW3**  
**SERVICE CHARGE ACCOUNT**  
**STATEMENT OF EXPENDITURE ON PROVISION OF SERVICES**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011		2010	
	£	£	£	£
Brought forward		16,143		15,876
Transfer to reserves		15,000		10,000
Major Works				
<i>Surveyors fees</i>	236		-	
<i>Reserves utilised</i>	<u>(236)</u>		<u>-</u>	
<b>Total Expenditure</b>		<u><u>31,143</u></u>		<u><u>25,876</u></u>

Note:

The interim service charge and reserve fund demanded for the period ended 31 December 2011 amounted to £34,211. Accordingly there is a surplus of £3,068 to be refunded to the lessees.

We hereby certify that the sum of £31,143 is the total expenditure (i.e. flats) for the year ended 31 December 2011 in accordance with the provisions of the leases relating to Mitre House.

*Kinleigh Limited*

Kinleigh Folkard & Hayward Limited

Dated: 1 March 2012

**MITRE HOUSE**  
**124 KINGS ROAD, LONDON SW3**  
**BALANCE SHEET AS AT 31 DECEMBER 2011**

	Notes	2011		2010	
		£	£	£	£
<b>CURRENT ASSETS</b>					
Due to lessees, less amounts received in advance	4	665		-	
Other debtors		458		550	
Prepayments		1,910		1,420	
Cash at Bank (held by managing agent)		<u>74,524</u>		<u>62,008</u>	
			77,557		63,978
<b>CURRENT LIABILITIES</b>					
Due to lessees, amounts received in advance		-		102	
Due to lessees - year end surplus		3,068		2,333	
Creditors		-		2,411	
Accruals		<u>5,163</u>		<u>4,820</u>	
			8,231		9,666
			<u><u>69,326</u></u>		<u><u>54,312</u></u>
<b>REPRESENTED BY</b>					
<u>Long Term Balances</u>					
Reserve Funds - Flats	2		<u><u>69,326</u></u>		<u><u>54,312</u></u>

**MITRE HOUSE**  
**124 KINGS ROAD, LONDON SW3**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

1 In accordance with the provisions of the Landlord and Tenant Act 1985 (as amended by the Landlord and Tenant Act 1987), the following information is given to indicate the manner in which the total expenditure for the year has been calculated:	£
Cash paid during the Year	18,623
Less: Amounts included in previous accounting period (Creditors & Accruals brought forward)	(7,231)
Add: Amounts paid in previous accounting period but not included in previous accounts. (Prepayments & Debtors brought forward)	1,970
	13,362
Less: Amounts paid during the period but not included in the account. (Debtors & Prepayments carried forward) *	(2,369)
Add: Provision of charges and invoices not received. (Creditors & Accruals carried forward)	5,163
Total expenditure for the year (as shown on pages 4 to 6)	<b>16,156</b>

\* The figures shown here are in respect of expenses relating to a period subsequent to the year under review. These amounts will be included in the Statement of Expenditure on Provision of Services and service charge demands of subsequent accounting periods and may therefore not be included in a demand within eighteen months of being incurred. This information is therefore deemed to be due notice in accordance with Section 20b (2) Landlord and Tenant Act 1985 (as amended by Schedule 2 Landlord and Tenant Act 1987).

2 <u>Reserve Fund - Flats</u>	£
Balance as at 1 January 2011	54,312
Transfer from Statement of Expenditure on Provision of Services	15,000
Net interest received	250
Reserves utilised	(236)
Balance as at 31 December 2011	<b>69,326</b>

Due to the uncertainty of timing of works and their extent and costs, the amount included within the accounts as a Reserve Fund should not be regarded as the full sum to meet future costs but merely a contribution towards such costs.



MITRE HOUSE  
124 KINGS ROAD, LONDON SW3  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

3 A summary of the accounts of the lessees is as follows:

	£	£
Arrears balance brought forward at 1 January 2011		(2,435)
Service charges demanded this year	19,211	
Reserve fund demanded this year	15,000	
Other transfers	-	
Y E 2010/2011 (surplus)/deficit	(3,068)	
		31,143
		28,708
Less: Cash received from lessees		(31,111)
Balance as at 31 December 2011		(2,403)

The above balance carried forward comprises:

Service charge balances relating to 2010/2011		665
Reserve fund balances relating to 2010/2011		-
Other transfers		-
Y E 2010/2011 (surplus)/deficit		(3,068)
Total:		(2,403)

4 Due to lessees, amounts received in advance

		£
Service charge debtors		665
Reserve fund debtors		-
Direct charge debtors		-
		665

**MITRE HOUSE**  
**SCHEDULE OF SERVICE CHARGE EXPENDITURE**  
**3 YEAR COMPARISON**  
**FINAL ACC TO 31ST DECEMBER 2011**

	2011 £	2010 £	2009 £
<b>FLATS</b>			
Cleaning contract	2,193	2,112	2,056
Electricity - common parts	705	900	934
General repairs	2,891	329	3,221
Door entry system	216	304	230
Drain cleaning & maintenance	211	1,303	1,366
Fire equipment	243	302	357
Insurance	2,053	1,790	875
Lifts	1,958	2,738	1,243
Lift telephone	286	284	(48)
Sundries	120	48	150
Legal fees	-	-	271
Professional fees	-	745	-
Auditors fees	1,365	1,300	1,344
Managing agents fees	3,915	3,740	3,644
	<u>16,156</u>	<u>15,895</u>	<u>15,643</u>
Transfer to reserve	15,000	10,000	10,000
Landlord & Tenant Act Interest	(13)	(19)	(4)
Major Works			
Surveyors Fees	236	-	1,913
Reserves utilised	(236)	-	(1,913)
Total	<u>31,143</u>	<u>25,876</u>	<u>25,639</u>

**MITRE HOUSE**  
**SCHEDULE OF SERVICE CHARGES EXPENDITURE**  
**COMPARISON OF ACTUAL TO ESTIMATED COSTS OF SERVICES**  
**YEAR ENDED 31ST DECEMBER 2011**

	ACTUAL £	ESTIMATE £
Cleaning contract	2,193	2,765
Electricity - common parts	705	1,200
General repairs	2,891	3,250
Door entry system	211	250
Drain cleaning & maintenance	216	600
Fire equipment	243	315
Insurance	2,053	2,216
Lifts	1,958	2,000
Lift telephone	286	220
Sundries	120	105
Health & safety	-	500
Professional fees	-	500
Auditors fees	1,365	1,365
Managing agents fees	3,915	3,925
Less - Net Bank Interest	(13)	-
	16,143	19,211
 Transfer to Reserves	 15,000	 15,000
<i>Major works</i>		
<i>Surveyors Fees</i>	236	-
<i>Reserves utilised</i>	(236)	-
 Total	 <b>31,143</b>	 <b>34,211</b>