

**MITRE HOUSE**  
**124 KINGS ROAD, LONDON SW3**  
**SERVICE CHARGE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

**MITRE HOUSE**

**124 KINGS ROAD, LONDON SW3**

LANDLORD: Rivers Edge Estates Limited  
16 Hans Road  
London SW3 1RS

MANAGING AGENTS: Kinleigh Folkard & Hayward  
KFH House  
Ground Floor  
5 Compton Road  
Wimbledon  
London SW19 7QA

AUDITORS: Elliotts Shah  
Registered 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 THE LESSEES OF  
MITRE HOUSE**

We have examined the service charge statement set out on page 4 and 5 in respect of Mitre House for the year ended 31 December 2008 together with the books and records maintained by Kinleigh Folkard & Hayward the Managing Agent in so far as they relate to Mitre House.

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, the Managing Agent has undertaken responsibility for the preparation of the service charge statement on behalf of the Landlord. 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/Managing Agent.

***Basis of opinion***

Our work included examination, on a test basis, 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/Managing Agent 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 costs relating to Mitre House and is sufficiently supported by accounts, receipts and other documents which have been made available to us. 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 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 income and expenditure for the year ended 31 December 2008, 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  
Registered Auditors  
2nd Floor, York House  
23 Kingsway  
London WC2B 6UJ

Dated: 14 January 2010

**MITRE HOUSE**  
**124 KINGS ROAD, LONDON SW3**  
**SERVICE CHARGE ACCOUNT**  
**STATEMENT OF EXPENDITURE ON PROVISION OF SERVICES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Year Ended 31-Dec-08		Year Ended 31-Dec-07	
	£	£	£	£
Cleaning contract		2,029		1,963
Electricity		1,794		619
General repairs				
<i>Plumbing Repairs</i>	3,227		-	
<i>Locks, keys &amp; door repairs</i>	-		650	
<i>Others</i>	938		582	
	<u>          </u>	4,165	<u>          </u>	1,232
Lifts				
<i>Maintenance contract</i>		927		1,475
Door entry system		194		303
Insurance				
<i>Building</i>	1,800		582	
<i>Engineering</i>	433		426	
	<u>          </u>	2,233	<u>          </u>	1,008
Fire equipment service		288		278
Property telephone		210		244
Sundries				
<i>Light bulbs</i>	83		-	
<i>Other</i>	56		-	
	<u>          </u>	139	<u>          </u>	29
Health & Safety		411		
Drain cleaning & repairs		458		130
Carried forward		<u>12,848</u>		<u>7,281</u>

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**MITRE HOUSE**  
**124 KINGS ROAD, LONDON SW3**  
**SERVICE CHARGE ACCOUNT**  
**STATEMENT OF EXPENDITURE ON PROVISION OF SERVICES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Year Ended 31-Dec-08		Year Ended 31-Dec-07	
	£	£	£	£
Brought forward		12,848		7,281
Legal Fees		-		-
Auditors' fees		1,200		1,274
Managing agents' fees		3,525		3,476
Landlord & Tenant Act interest		(53)		(110)
<b>Service Charge Expenditure</b>		17,520		11,921
Contribution to reserves		10,000		7,778
<b>TOTAL EXPENDITURE</b>		<b>27,520</b>		<b>19,699</b>

Note:

The interim service charge demanded for the period ended 31 December 2008 amounted to £14,624. Accordingly, there is a deficit of £2,896 to be demanded from lessees.

**MITRE HOUSE**  
**124 KINGS ROAD, LONDON SW3**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

	Notes	2008		2007	
		£	£	£	£
<b>CURRENT ASSETS</b>					
Due from Lessees including payments in advance		101		563	
Deficit arising in the year		2,896		-	
Landlord control account		-		1,696	
Prepayments		379		298	
KFH Interest Debtor		143		-	
Other Debtors		507		143	
Cash at Bank		<u>37,708</u>		<u>29,595</u>	
			41,734		32,295
<b>CURRENT LIABILITIES</b>					
Trust Tax provision		59		349	
Accruals and other creditors		5,591		4,881	
Surplus arising in the year		<u>-</u>		<u>582</u>	
			5,650		5,812
			<u>36,084</u>		<u>26,483</u>
<b>REPRESENTED BY</b>					
Reserve Fund	2		<u>36,084</u>		<u>26,483</u>

**MITRE HOUSE**  
**124 KINGS ROAD, LONDON SW3**  
**SERVICE CHARGE ACCOUNT**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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	17,398
Less: Amounts included in previous accounting period (Accruals and creditors brought forward)	(4,881)
Add: Amounts paid in previous accounting period but not included in previous accounts. (Prepayments & Debtors brought forward)	298
	12,815
Less: Amounts paid during the period but not included in the account. (Prepayments carried forward) *	(379)
Less: Amounts paid during the year but due to be refunded (Debtors carried forward)	(507)
Add: Provision of charges and invoices not received. (Accruals carried forward)	5,417
Add: Provision of charges and Invoice Received but not Paid (Creditors Carried forward)	174
Total expenditure for the year (as shown on page 4)	17,520

\* 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).



MITRE HOUSE  
124 KINGS ROAD, LONDON SW3  
SERVICE CHARGE ACCOUNT  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

**2. Reserve Fund**

	£
Balance as at 1 January 2008	26,483
Demands raised in the period	10,000
Net interest received	820
Withdrawals during the year	(1,219)
Balance as at 31 December 2008	36,084

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.

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

	£	£
Arrears balance brought forward at 1st January 2008		563
Service charges demanded during the year	14,043	
Reserves demanded during the year	10,000	
Direct charges demanded during the year	763	
Deficit for the current year	2,896	27,702
Less: Cash received from lessees		-25,267
Balance at 31st December 2008		2,997

The above balance carried forward comprises:

Service Charge Balances relating to 2007/2008	(582)
Reserve Balances relating to 2007/2008	683
Direct Charge Balances relating to 2007/2008	2,890
Deficit for the current year	-
Total	2,997

£

Due to Lessees, amount received in advance

Service charge debtors	(582)
Reserve fund debtors	683
Direct Charge debtors	-
	101

**MITRE HOUSE**  
**SCHEDULE OF SERVICE CHARGE EXPENDITURE**  
**3 YEAR COMPARISON**  
**FINAL ACC TO 31ST DECEMBER 2008**

	2008 £	2007 £	2006 £
<b>FLATS</b>			
Porterage & Cleaning	2,029	1,963	1,850
Electricity	1,794	619	192
General repairs	4,165	1,232	1,039
Lifts	927	1,475	1,812
Health & Safety	411	-	492
Door entry system	194	303	183
Drain cleaning contract	458	130	113
Fire equipment	288	278	267
Insurance	2,233	1,008	1,778
Sundries	139	29	72
Telephone	210	244	193
Legal Fees	-	-	-
Auditors fees	1,200	1,274	1,208
Managing agents fees	3,525	3,476	3,360
	<hr/> 17,574	<hr/> 12,031	<hr/> 12,559
Transfer to reserve	10,000	7,778	8,000
Landlord & Tenant Act Interest	(53)	(110)	(72)
Major Works			
Works	-	-	-
Surveyors Fees	1,219	-	-
Reserves utilised	(1,219)	-	-
	<hr/> <b>27,520</b>	<hr/> <b>19,699</b>	<hr/> <b>20,487</b>

**MITRE HOUSE**  
**SCHEDULE OF SERVICE CHARGES EXPENDITURE**  
**COMPARISON OF ACTUAL TO ESTIMATED COSTS OF SERVICES**  
**YEAR ENDED 31ST DECEMBER 2008**

	ACTUAL	ESTIMATE
	£	£
<b>FLATS</b>		
Porterage & Cleaning	2,029	2,500
Electricity	1,794	400
General repairs	4,165	2,000
Lifts	927	1,600
Health & Safety	411	500
Door entry system	194	300
Drain cleaning contract	458	250
Fire equipment	288	290
Insurance	2,233	1,800
Sundries	139	50
Telephone	210	210
Legal Fees	-	-
Auditors fees	1,200	1,200
Managing agents fees	3,525	3,525
Less - Net Bank Interest	(53)	
	17,520	14,625
 Transfer to Reserves	 10,000	 10,000
<i>Major works</i>	-	-
<i>Works</i>	-	-
<i>Surveyors Fees</i>	1,219	-
<i>Reserves utilised</i>	(1,219)	-
	27,520	24,625
 Total	 27,520	 24,625