

**CHURCH STREET (MAIDSTONE) MANAGEMENT
COMPANY LIMITED**

SERVICE CHARGE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CHURCH STREET (MAIDSTONE) MANAGEMENT COMPANY LIMITED

ACCOUNTANT'S REPORT OF FACTUAL FINDINGS TO THE DIRECTORS OF CHURCH STREET (MAIDSTONE) MANAGEMENT COMPANY LIMITED.

You have stated that an audit of the service charge accounts in accordance with International Standards on Auditing is not required for Church Street properties. In accordance with our engagement letter, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 2 to 4 in respect of Church Street properties for the year ended 31 December 2015 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to the Directors of Church Street (Maidstone) Management Company Limited 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 Directors and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors for our work or for this report.

Basis of report

Our work was carried out having regard to "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 obtained the service charge accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained;
- 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 these properties agreed or reconciled to the bank statement 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 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 shows on page 3 of the service charge accounts agrees or reconciles to the bank statement for the accounts in which the funds are held.

MHA MacIntyre Hudson

Chartered Accountants
Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5FA

Date: 14/07/2016

CHURCH STREET (MAIDSTONE) MANAGEMENT COMPANY LIMITED

SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2015

	Notes	2015 £	2014 £
Income relating to the period			
Service charges		69,014	64,843
Other income		980	725
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Total income receivable		69,994	65,568
		<hr/>	<hr/>
Expenditure relating to the period			
Repairs and maintenance:			
Common area, cleaning and gardens		10,800	11,917
General repairs		5,129	6,552
Water pumps replacement/service		5,285	-
Car parking security and maintenance		-	720
Council, welfare and hygiene		-	96
Major works:			
Pigeon spikes		-	5,850
Redecoration		1,760	-
Tree cutting		1,000	-
Utilities:			
Electricity		5,591	5,921
Water		22,073	15,508
Professional fees:			
Legal and professional fees		698	608
Management fees		9,000	12,410
Accountancy fees		6,642	72
Valuation fees		-	1,200
Health and safety risk assessment		2,185	-
Planning costs		827	-
Insurance		300	338
Printing, postage and stationery		66	201
Communication services		435	669
Hospitality		-	369
Office expenses		500	-
Sundry expenses		113	140
Debtors written off		655	176
Creditors written off		-	(3,349)
Discounts given		1,208	813
		<hr/>	<hr/>
Total expenditure		74,267	60,211
		<hr/>	<hr/>
Surplus/(deficit) for the year		(4,273)	5,357
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CHURCH STREET (MAIDSTONE) MANAGEMENT COMPANY LIMITED

BALANCE SHEET at 31 December 2015

	Notes	2015 £	2014 £
Assets			
Debtors	3	24,924	25,217
Church Street cash at bank		1,947	3,062
Countrywide cash at bank		764	1,545
		<u>27,635</u>	<u>29,824</u>
Liabilities			
Creditors	4	(9,384)	(7,300)
		<u>18,251</u>	<u>22,524</u>
Net assets at 31 December 2015		<u><u>18,251</u></u>	<u><u>22,524</u></u>
Reserves			
General reserve	5	<u>18,251</u>	<u>22,524</u>
Balance at 31 December 2015		<u><u>18,251</u></u>	<u><u>22,524</u></u>

The Service Charge Accounts were approved and authorised for issue by the board and were signed on its behalf by:

Paul Peacock

05/07/2016

Peter Stock

CHURCH STREET (MAIDSTONE) MANAGEMENT COMPANY LIMITED

NOTES WHICH FORM PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies

The accounts are prepared on the accruals basis.

2. Other income

Other income represents amounts reimbursed from residents in respect of debt collection fees and replacement key fobs/equipment.

3. Debtors

	2015 £	2014 £
Service charges owed	277	570
Developer liability	24,647	24,647
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	24,924	25,217
	<hr/>	<hr/>

4. Creditors

	2015 £	2014 £
Other creditors	9,384	7,300
	<hr/>	<hr/>
	9,384	7,300
	<hr/>	<hr/>

5. Reserve funds

The general reserve has been established to meet the costs of large, non-regular repair and maintenance work.

Any shortfall in these funds resulting from expenditure incurred will be charged to the Income and Expenditure account in that year.

General reserve

	2015 £	2014 £
Balance brought forward	22,524	15,222
Adjusted in respect of prior year	-	1,945
Surplus/(deficit) on Income and Expenditure account	(4,273)	5,357
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Balance carried forward	18,251	22,524
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