

**Service charge statement of account for the residents of  
KNIGHTS WOOD**

**for the year ended 31 December 2019**

**Service charge statement of account for the residents of  
KNIGHTS WOOD**

**Information**

**Managing agent**

Premier Estates Limited  
Chiltern House  
72-74 King Edward Street  
Macclesfield  
Cheshire  
SK10 1AT

**Accountants**

Leonherman  
Chartered Accountants  
7 Christie Way  
Christie Fields  
Manchester  
M21 7QY

**Service charge statement of account for the residents of  
KNIGHTS WOOD**

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## **Service charge statement of account for the residents of KNIGHTS WOOD**

### **Accountants' report of factual findings to the managing agent**

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 Knights Wood. In accordance with our engagement letter dated 21 June 2019, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 3 to 7 in respect of Knights Wood for the year ended 31 December 2019 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 agent 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 managing agent and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the managing agent for our work or for this report.

### **Basis of report**

Our work was carried out having regard to TECH 03/11 *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 by or on behalf of the managing agent;
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 shown on page 4 of the service charge accounts 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 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.

**Service charge statement of account for the residents of  
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**Accountants' report of factual findings to the managing agent (continued)**

**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 on page 4 of the service charge accounts agrees or reconciles to the bank statement for the account(s) in which the funds are held.

7 Christie Way,  
Christie Fields,  
Manchester M21 7QY

Dated: 3 December 2020

*leonherman*

LEONHERMAN  
Chartered Accountants

**Service charge statement of account for the residents of  
KNIGHTS WOOD**

**Income and expenditure account  
for the year ended 31 December 2019**

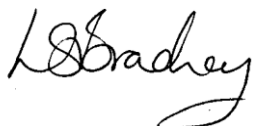
|                                                     | <b>2019</b> |             | <b>2018</b> |             |
|-----------------------------------------------------|-------------|-------------|-------------|-------------|
|                                                     | <b>£</b>    | <b>£</b>    | <b>£</b>    | <b>£</b>    |
| <b>Income</b>                                       |             |             |             |             |
| Service charges                                     |             | 84,771      |             | 78,748      |
| Developer contribution                              |             | 31,049      |             | 30,825      |
| Bank interest received                              |             | 43          |             | 53          |
|                                                     |             | <hr/>       |             | <hr/>       |
|                                                     |             | 115,863     |             | 109,626     |
| <b>Expenditure</b>                                  |             |             |             |             |
| Landscaping and estate operatives                   | 68,663      |             | 55,234      |             |
| Electricity                                         | 1,330       |             | 1,432       |             |
| Repairs and maintenance                             | 29,782      |             | 24,101      |             |
| Water                                               | (879)       |             | 539         |             |
| Buildings and public liability insurance            | 1,120       |             | 1,112       |             |
| Audit and accountancy                               | 492         |             | 312         |             |
| Sinking fund                                        | 2,254       |             | 2,486       |             |
| Bank charges                                        | 240         |             | 226         |             |
| Health and safety                                   | (129)       |             | 311         |             |
| Management fees                                     | 15,663      |             | 17,267      |             |
|                                                     | <hr/>       |             | <hr/>       |             |
| <b>Sub-total day to day expenditure</b>             |             | (118,536)   |             | (103,020)   |
|                                                     |             | <hr/>       |             | <hr/>       |
| <b>Net (deficit)/surplus at the end of the year</b> |             | (2,673)     |             | 6,606       |
|                                                     |             | <hr/> <hr/> |             | <hr/> <hr/> |

**Service charge statement of account for the residents of  
KNIGHTS WOOD**

**Balance sheet  
as at 31 December 2019**

|                                       | <b>2019</b> |        | <b>2018</b> |        |
|---------------------------------------|-------------|--------|-------------|--------|
|                                       | £           | £      | £           | £      |
| <b>Current assets</b>                 |             |        |             |        |
| Service charges in arrears            | 2,885       |        | 957         |        |
| Other debtors                         | 64,354      |        | 36,747      |        |
| Prepayments                           | -           |        | 449         |        |
| Deficit recoverable from leaseholders | 2,673       |        | -           |        |
| Cash at bank and in hand              | 13,148      |        | 48,348      |        |
|                                       | <hr/>       |        | <hr/>       |        |
|                                       | 83,060      |        | 86,501      |        |
|                                       | <hr/>       |        | <hr/>       |        |
| <b>Current liabilities</b>            |             |        |             |        |
| Trade creditors                       | 34,355      |        | 10,644      |        |
| Other creditors                       | 36,460      |        | 39,806      |        |
| Accrued expenses                      | 2,184       |        | 25,042      |        |
|                                       | <hr/>       |        | <hr/>       |        |
|                                       | 72,999      |        | 75,492      |        |
|                                       | <hr/>       |        | <hr/>       |        |
|                                       |             | 10,061 |             | 11,009 |
|                                       |             | <hr/>  |             | <hr/>  |
| <b>Net assets</b>                     |             | 10,061 |             | 11,009 |
|                                       |             | <hr/>  |             | <hr/>  |
| <b>Financed by:-</b>                  |             |        |             |        |
| <b>Sinking fund</b>                   |             | 3,445  |             | 4,393  |
| <b>Income and expenditure reserve</b> |             | 6,616  |             | 6,616  |
|                                       |             | <hr/>  |             | <hr/>  |
|                                       |             | 10,061 |             | 11,009 |
|                                       |             | <hr/>  |             | <hr/>  |

We certify that to the best of our knowledge and belief the record produced together with the explanations given constitute a true and correct record of the transactions relating to the development for the year ended 31 December 2019 and we certify that the above accounts have our approval.



Mr L Bradney  
Finance Director  
For and on behalf of Premier Estates Limited

Dated: 3 December 2020

**Notes to the accounts  
for the year ended 31 December 2019**

|                                   | Sinking fund<br>Common Area/<br>Sch A | Totals       |
|-----------------------------------|---------------------------------------|--------------|
|                                   | £                                     | £            |
| <b>1. At 1 January 2019</b>       | 4,393                                 | 4,393        |
| Provision                         | 2,254                                 | 2,254        |
| Offsets – Repairs and maintenance | (3,202)                               | (3,202)      |
| <b>At 31 December 2019</b>        | <u>3,445</u>                          | <u>3,445</u> |

## Sinking fund

The sinking fund is an allowance for the future costs associated with unknown major expenditure at the development. This fund will build up over a number of years to ensure that when major expenditure is required, sufficient funds will be available to meet the expenditure and so minimise the need to raise additional levies upon the residents.

## 2. Repairs and maintenance

|                                                                 |               |
|-----------------------------------------------------------------|---------------|
| Water feature repairs and maintenance                           | 8,195         |
| Winter gritting service                                         | 4,933         |
| Litter removal and emptying of dog bins                         | 14,556        |
| Meeting room hire                                               | 280           |
| Lights, leak and waterproof joins                               | 1,818         |
| Supply and install new bins waste bins                          | 3,202         |
| Offset to sinking fund - Supply and install new bins waste bins | (3,202)       |
|                                                                 | <u>29,782</u> |

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**Notes to the accounts  
for the year ended 31 December 2019**

**3. Sources of income**

Premier Estates Ltd earns no income from the development other than the management fees disclosed in the Income and Expenditure account.

**4. Income and expenditure reserve**

|                                       | <b>2019</b>                        |                    |                    | <b>2018</b>        |
|---------------------------------------|------------------------------------|--------------------|--------------------|--------------------|
|                                       | <b>Common<br/>Area/Sch A<br/>£</b> | <b>Sch B<br/>£</b> | <b>Total<br/>£</b> | <b>Total<br/>£</b> |
| Brought forward                       | 4,965                              | 1,651              | 6,616              | 6,056              |
| <u>Add:</u>                           |                                    |                    |                    |                    |
| Net surplus                           | -                                  | -                  | -                  | 6,606              |
| Deficit recoverable from leaseholders | 4,123                              | (1,450)            | 2,673              | -                  |
|                                       | <hr/>                              | <hr/>              | <hr/>              | <hr/>              |
|                                       | 9,088                              | 201                | 9,289              | 12,662             |
| <u>Less:</u>                          |                                    |                    |                    |                    |
| Net deficit                           | (4,123)                            | 1,450              | (2,673)            | -                  |
| Repayment of surplus                  | -                                  | -                  | -                  | (6,046)            |
|                                       | <hr/>                              | <hr/>              | <hr/>              | <hr/>              |
|                                       | 4,965                              | 1,651              | 6,616              | 6,616              |
|                                       | <hr/> <hr/>                        | <hr/> <hr/>        | <hr/> <hr/>        | <hr/> <hr/>        |

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**Notes to the accounts  
for the year ended 31 December 2019**

**5. Bank accounts**

Service charge funds are held in trust as follows:

Premier Estates Ltd Client Account (Non-Interest Bearing) - Knights Wood  
Royal Bank of Scotland  
56 Chestergate  
Macclesfield  
Cheshire SK11 6BU

Account number: 10159294  
Sort code: 16-32-32

Premier Estates Ltd Client Reserve Account (Interest Bearing) - Knights Wood  
Royal Bank of Scotland  
56 Chestergate  
Macclesfield  
Cheshire SK11 6BU

Account number: 10159308  
Sort code: 16-32-32

Premier Estates Ltd Client Reserve Account (Non-interest Bearing) - Knights Wood  
Royal Bank of Scotland  
56 Chestergate  
Macclesfield  
Cheshire SK11 6BU

Account number: 10155833  
Sort code: 16-32-32

Premier Estates Ltd Client Corporate Treasury Account (Interest Bearing) - Knights Wood  
Royal Bank of Scotland  
56 Chestergate  
Macclesfield  
Cheshire SK11 6BU

Account number: 10161442  
Sort code: 16-32-32

Premier Estates Ltd CMS (Non-Interest Bearing)  
Royal Bank of Scotland  
56 Chestergate  
Macclesfield  
Cheshire SK11 6BU

Account number: 10091886  
Sort code: 16-32-32

The above accounts are interest bearing and interest received is credited to the cost heading "Interest Received". No notice is required for the withdrawal of funds.