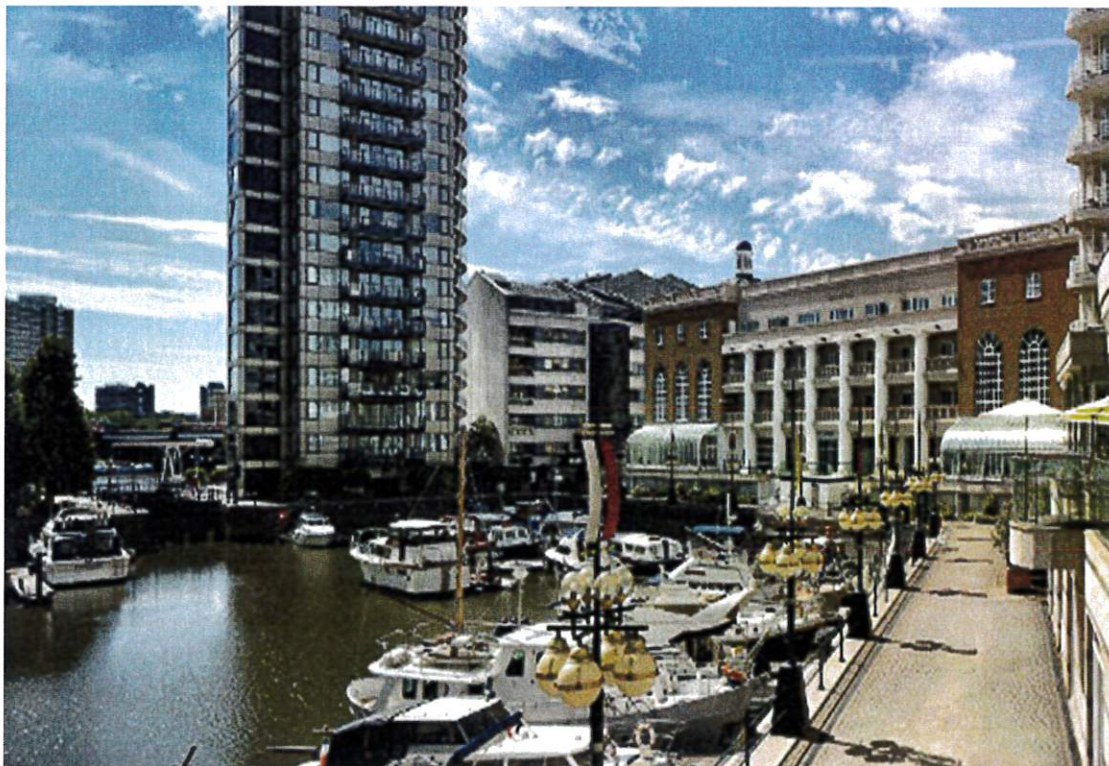


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## SERVICE CHARGE ACCOUNTS

CHELSEA HARBOUR - THAMES QUAY

FOR THE YEAR TO 28TH SEPTEMBER 2018



**CHELSEA HARBOUR - THAMES QUAY**  
**SERVICE CHARGE ACCOUNTS**  
**FOR THE YEAR TO 28TH SEPTEMBER 2018**

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- 2 Managing Agent's Report
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- 4 Summary of Use of Funds
- 5 Detailed Expenditure Account
- 6 Balance Sheet
- 7 Notes to the Accounts

**CHELSEA HARBOUR - THAMES QUAY  
MANAGING AGENT'S REPORT  
FOR THE YEAR TO 28TH SEPTEMBER 2018**

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Rendall and Rittner Limited is the Managing Agent responsible for the production of the service charge certificate for the year to 28th September 2018 in respect of Chelsea Harbour - Thames Quay.

I can confirm that on behalf of Rendall and Rittner Limited, I approve the balance sheet shown on page 6 of these service charge accounts.

I can confirm that these service charge accounts have been produced in compliance with the terms set out in the lease and, according to the information available to me, the attached statement of service charge expenditure, shown on page 5, records the true cost to the landlord of providing services to the property for the year.



Dated 27<sup>th</sup> March 2019

**Daniel Jones FCCA  
Senior Estate Accountant  
For and on behalf of Rendall and Rittner Limited**

**CHELSEA HARBOUR - THAMES QUAY**  
**SERVICE CHARGE ACCOUNTS**  
**FOR THE YEAR TO 28TH SEPTEMBER 2018**

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**PROPERTY INFORMATION**

Property Address	Thames Quay Chelsea Harbour London SW10 0XF
Managing Agent	Rendall and Rittner Limited Portsoken House 155-157 Minories London EC3N 1LJ
Accountants	Haines Watts 42 High Street Flitwick Bedfordshire MK45 1DU

**ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE MANAGING AGENT OF  
CHELSEA HARBOUR - THAMES QUAY  
FOR THE YEAR TO 28TH SEPTEMBER 2018**

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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 Chelsea Harbour - Thames Quay. In accordance with our engagement letter we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts and related notes set out on pages 4 to 7 in respect of Chelsea Harbour - Thames Quay for the year to 28th September 2018 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 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 shown on page 6 of the service charge accounts agreed or reconciled to the bank statements 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.

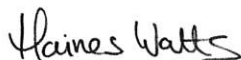
**Report of factual findings:**

- (a) With respect to item 1 we have 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 6 of the service charge accounts agrees or reconciles to the bank statements for the accounts in which the funds are held.

Haines Watts  
42 High Street  
Flitwick  
Bedfordshire  
MK45 1DU

Chartered Accountants

Signed

A handwritten signature in black ink, appearing to read 'Haines Watts', written over a horizontal line.

Dated

27 March 2019

**CHELSEA HARBOUR - THAMES QUAY**  
**ACCOUNTS FOR THE YEAR TO 28TH SEPTEMBER 2018**  
**SUMMARY OF USE OF FUNDS**

	Note	2018 £	2017 £
Service Charges Levied		481,865	464,926
Interest Received		128	-
		<u>481,993</u>	<u>464,926</u>
Less: Expenditure		495,453	475,256
<b>Net Surplus/(Deficit) for the Year</b>	<b>2</b>	<b><u>(13,460)</u></b>	<b><u>(10,330)</u></b>



**CHELSEA HARBOUR - THAMES QUAY**

**DETAILED EXPENDITURE ACCOUNT FOR THE YEAR TO 28TH SEPTEMBER 2018**

	Note	2018 Actual £	2018 Estimate £	2017 Actual £
Electricity		22,740	26,500	28,171
Wages and Salaries		94,579	90,203	89,878
Security		7,091	4,450	3,450
Electrical Repairs and Maintenance		6,271	4,314	5,365
Lift Repairs and Maintenance		11,818	10,346	9,350
Heating Repairs and Maintenance		4,128	1,000	-
Cleaning		16,512	15,387	16,450
Window Cleaning		192	288	216
Phone and Radios		129	798	969
Uniforms and Laundry		136	80	54
Gardening		1,200	2,700	1,154
Fire Prevention & Health Safety		3,446	7,210	4,609
Administrative Expenses		2,340	2,972	2,410
Drain Cleaning		1,079	1,950	3,224
Insurance		43,899	43,523	41,396
Internal Repairs and Maintenance		4,668	3,000	383
External Repairs and Maintenance		7,331	5,000	6,066
Refuse Removal		105	500	-
Village Service Charge Contribution	5	91,151	83,410	85,717
Pest Control		76	2,000	80
Festive Decorations		168	200	162
Camera replacement		-	-	1,037
Accountancy Fees		2,669	2,453	2,552
Legal Fees		-	-	606
Management Fee		43,726	43,581	41,955
Reserve Fund Contribution	3	130,000	130,000	130,000
<b>TOTAL EXPENDITURE</b>		<b>495,453</b>	<b>481,865</b>	<b>475,255</b>

# CHELSEA HARBOUR - THAMES QUAY

## BALANCE SHEET AS AT 28TH SEPTEMBER 2018

	Note	2018 £	2017 £
Service Charge Debtors		31,263	18,570
Sundry Debtors and Prepayments		24,173	56,627
Deficit for the Year to be Recovered		13,460	10,330
Service Charge Bank Account	4	-	64,985
Reserve Bank Account	4	325,378	94,982
Recharge Bank Account	4	9,704	7,191
		<u>403,978</u>	<u>252,685</u>
Less: Creditors and Accrued Expenses		29,327	24,837
Service Charge Bank Account	4	18,591	-
Service Charge Creditors		682	-
		<u>48,600</u>	<u>24,837</u>
Net Funds at 28th September 2018		<u><u>355,378</u></u>	<u><u>227,848</u></u>
Represented by:-			
Reserve Funds for Longer Term Maintenance	3	<u><u>355,378</u></u>	<u><u>227,848</u></u>



**CHELSEA HARBOUR - THAMES QUAY**  
**NOTES TO THE ACCOUNTS FOR THE YEAR TO 28TH SEPTEMBER 2018**

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**1. ACCOUNTING POLICIES**

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

**2. NET DEFICIT AS AT 28TH SEPTEMBER 2018**

The net deficit for the year will be recovered by the residents in accordance with the terms contained within their leasehold agreement or first deed of transfer.

**3. RESERVE FUNDS FOR LONGER TERM MAINTENANCE**

The reserve fund has been established to provide funds in order to contribute to the cost of major works which are expected to arise in the future. The present level of the fund 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.

	<b>Total £</b>
Balance brought forward	227,848
Provision for the year	130,000
Interest received	320
Contribution from Reserves*	(2,790)
<b>Balance at 28th September 2018</b>	<b><u>355,378</u></b>

**\* Contribution from Reserves**

	<b>£</b>
Smoke vent consultant's fee	2,790
	<b><u>2,790</u></b>

**4. BANK ACCOUNTS**

All bank accounts for service charge and reserves are held separately in trust and in compliance with Section 42 of the Landlord and Tenant Act 1987. Client money is ring fenced, separate from PL Management's own business accounts. The accounts are held at Barclays Bank Plc, Churchill Place, London E14 5HP and are held in the following account names:-

Estates AM Client Account  
HEAM AMS Clients Account

These accounts have instant access and do not have withdrawal restrictions. Limited interest accrues to the accounts, which is credited to the development once any bank charges or other costs associated with administering the accounts have been taken into consideration.

**5. VILLAGE CHARGE**

The Village charge is set by Chelsea Harbour Limited and relates to actual expenditure incurred in the current year for managing the shared services and facilities of the development.

