

THE RESIDENCE (NO.2) MANAGEMENT COMPANY LIMITED
UNAUDITED SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE RESIDENCE (NO.2) MANAGEMENT COMPANY LIMITED

PROPERTY INFORMATION

Address 1-50 Preston Mansions
Preston Park Avenue
Brighton
BN1 6HP

Managing Agent Ellman Henderson Limited
43 Church Road
Hove
East Sussex
BN3 2BE

Accountants Friend-James Limited
4th Floor, Park Gate
161 -163 Preston Road
Brighton
East Sussex
BN1 6AF

THE RESIDENCE (NO.2) MANAGEMENT COMPANY LIMITED

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**ELLMANS IN ACCOUNT WITH THE RESIDENCE (NO.2)
MANAGEMENT COMPANY LIMITED
CHARTERED ACCOUNTANTS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 leases of 1-50 Preston Mansions, Preston Park Avenue, Brighton, Sussex.

In accordance with our engagement letter dated 1st April 2017, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts attached in respect of 1-30 Preston Mansions, Preston Park, Brighton, Sussex for the year ended 31 December 2022 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to the landlord 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 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.

Basis of report

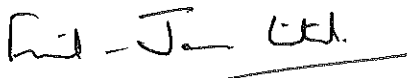
Our work was carried out having regard to 'Tech 03/11 Residential Service Charge Accounts' published jointly by the professional accountancy bodies with ARMA and RICS. In summary, the procedures we carried out with respect to the service charge accounts were:

- 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; and
- 2 We checked, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected.
- 3 We checked whether the balance of service charge monies for this property shown on the service charge accounts agreed or reconciled to the bank statement(s) of 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.

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 the service charge accounts, £5,216.92 in hand on the basic fund and £136,196.71 in hand on the sinking funds agree to the balances maintained by the managing agent.



Friend-James Limited

Chartered Accountants

Date: 24 May 2023
4th Floor, Park Gate
161-163 Preston Road
Brighton East Sussex
BN1 6AF

THE RESIDENCE (NO.2) MANAGEMENT COMPANY LIMITED

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2022

	£	2022 ACTUAL £	2022 BUDGET £	2021 ACTUAL £
Income				
Maintenance charges receivable from lessees		<u>109,356.54</u>		<u>105,167.84</u>
Less: Expenditure				
GROUP 1 ESTATE				
Building Insurance	16,198.88		15,300.00	15,414.13
Pump maintenance	743.78		1,000.00	-
Transfer from sinking fund reserve	-		-	(19,181.00)
Electricity supplies	3,954.40		7,493.00	867.05
Management fee	6,138.00		6,138.00	6,138.00
Garden maintenance	4,010.20		3,000.00	2,380.19
Water supply	14,488.39		17,000.00	20,478.85
Man Safe System	523.20		500.00	498.00
Water Risk Assessment	1,494.00		1,060.00	1,446.00
Company expenditure	-		-	-
Repairs & Maintenance	2,264.70		2,900.00	22,153.96
Lightning protection	1,212.00		650.00	642.00
Solar Panel Clean	-		400.00	-
Report & accountancy fees	432.00		470.00	462.00
Bank interest	(43.26)		100.00	(17.59)
	<u>51,416.29</u>		<u>56,011.00</u>	<u>51,281.59</u>
Sinking fund reserve	<u>6,134.00</u>		<u>6,134.00</u>	<u>9,135.00</u>
	<u>57,550.29</u>		<u>62,145.00</u>	<u>60,416.59</u>
GROUP 2 - APARTMENTS 1-30				
Fire Alarm system	2,013.22		3,500.00	3,966.86
Electricity supplies	3,954.40		7,493.00	1,734.10
Fire H&S risk assessments	-		500.00	-
Interphone maintenance	1,717.41		600.00	573.45
Public way cleaning	5,809.40		6,000.00	5,295.60
Repairs & Maintenance	10,895.13		5,100.00	26,015.30
Transfer from sinking fund reserve	-		-	(22,089.96)
Lift contract & insurance	4,095.86		1,500.00	4,297.63
	<u>28,485.42</u>		<u>24,693.00</u>	<u>19,792.98</u>
Sinking fund reserve	<u>14,100.00</u>		<u>14,100.00</u>	<u>15,986.00</u>
	<u>42,585.42</u>		<u>38,793.00</u>	<u>35,778.98</u>
GROUP 3 - CAR PARK				
Electricity supplies	1,977.20		3,747.00	1,734.10
Repairs & maintenance	2,627.39		3,300.00	5,586.15
	<u>4,604.59</u>		<u>7,047.00</u>	<u>7,320.25</u>
Sinking fund reserve	<u>1,371.00</u>		<u>1,371.00</u>	<u>1,371.00</u>
	<u>5,975.59</u>		<u>8,418.00</u>	<u>8,691.25</u>
		<u>106,111.30</u>		<u>104,886.82</u>
Surplus for the year		<u><u>3,245.24</u></u>		<u><u>281.02</u></u>

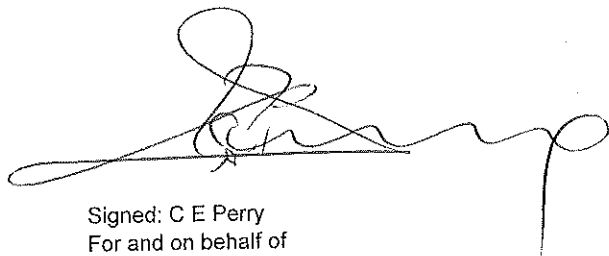
NOTE: No payments were made to the directors of the company for maintenance and general repairs of the property 1-50 Preston Mansions, Preston Park Avenue, Brighton BN1 6HP (2021 £Nil)

THE RESIDENCE (NO.2) MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
Current Assets			
Amount held by managing agent	2	152,880.80	134,850.57
Debtors	3	<u>5,903.50</u>	<u>14,304.68</u>
		158,784.30	149,155.25
Less: Current Liabilities			
Creditors - amounts falling due within one year			
Other creditors and accruals	4	7,408.00	8,301.10
Charges received in advance	5	<u>9,962.67</u>	<u>24,290.76</u>
		<u>17,370.67</u>	<u>32,591.86</u>
		<u>141,413.63</u>	<u>116,563.39</u>
Capital and Reserves			
General Surplus brought forward 1 January 2022	6	1,971.68	1,690.66
Surplus for the year		<u>3,245.24</u>	<u>281.02</u>
		5,216.92	1,971.68
Sinking Funds brought forward 1 January 2022			
Estate:			
Brought forward 1 January 2022		31,148.00	41,194.00
Transfer to General Maintenance Account 2022		-	(19,181.00)
Transfer from General Maintenance Account 2022		<u>6,134.00</u>	<u>9,135.00</u>
		37,282.00	31,148.00
Internals:			
Brought forward 1 January 2022		73,128.71	79,232.67
Transfer to General Maintenance Account 2022		-	(22,089.96)
Transfer from General Maintenance Account 2022		<u>14,100.00</u>	<u>15,986.00</u>
		87,228.71	73,128.71
Car Park:			
Brought forward 1 January 2022		10,315.00	8,944.00
Transfer from General Maintenance Account 2022		<u>1,371.00</u>	<u>1,371.00</u>
		11,686.00	10,315.00
Total Reserves 31 December 2022		<u>141,413.63</u>	<u>116,563.39</u>

We acknowledge our responsibility for these accounts and for providing Friend-James Limited, Chartered Accountants with all information and explanations necessary for their compilation.



Signed: C E Perry
For and on behalf of
Ellman Henderson Limited

Date: 22/05/2023

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

1 Accounting policy

Basis of preparation of the accounts

The accounts have been prepared under the historical cost convention and in accordance with the provisions of UK GAAP in so far as it applies. The accounts have also been prepared in accordance with the accounting requirements set out in Section 21 of the Landlord and Tenant Act 1985.

Income

The financial statements include the income for the financial year. Maintenance charges or on-going works charges due 31 December but received prior to that date are carried forward to the following year.

2 Bank Account

Service charge monies retained by the managing agent were held in a designated clients bank account at Barclays Bank Plc.

3 Debtors

	2022	2021
	£	£
Maintenance Arrears	915.19	1,133.36
EDF	-	10,141.85
Flat 26 - Southpoint	195.00	-
Frontline 2023	941.22	-
Entacom 2023	580.27	-
Otis 2023	3,271.82	3,029.47
	<u>5,903.50</u>	<u>14,304.68</u>

4 Other Creditors and accruals

The following expense items relate to the current year but the demand for payment was made after the balance sheet date.

	2022	2021
	£	£
Accountancy & Report fees	433.50	433.50
P Wignall	-	-
Southern Water	5,140.00	5,293.00
Ellman Henderson Limited - Management fees	1,534.50	1,534.50
Hurren & Glynn	-	411.50
Southpoint	-	499.00
Sunshine Sussex Limited	-	129.60
Ground Effects	300.00	-
	<u>7,408.00</u>	<u>8,301.10</u>

5 Charges received in advance

	2022	2021
	£	£
Maintenance charges	9,962.67	24,290.76
	<u>9,962.67</u>	<u>24,290.76</u>