

Unaudited Service Charge Accounts
For the Year Ended 28 September 2021
for
Forestfield Management Company Limited

Forestfield Management Company Limited

Contents of the Service Charge Accounts
For the Year Ended 28 September 2021

	Page
Contents Page	1
Service Charge Fund Information	2
Accountants Report of Factual Findings	3 - 4
Income and Expenditure Statement	5
Balance Sheet	6
Notes to the Service Charge Accounts	7 – 10

Forestfield Management Company Limited

Service Charge Fund Information
For the Year Ended 28 September 2021

COMPANY NUMBER

01489740

ACCOUNTANTS

Richard Place Dobson Services Limited
1 – 7 Station Road
Crawley
West Sussex
RH10 1HT

DIRECTORS

A Gidman
A Mitchell
C Piggott
L Beer

REGISTERED OFFICE ADDRESS

c/o Stevensdrake
117–119 High Street
Crawley
West Sussex
RH10 1DD

Forestfield Management Company Limited

Accountant's Report of Factual Findings to the Directors of Forestfield Management Company Limited

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 Forestfield Management Company Limited. In accordance with our engagement letter, we have performed the procedures enumerated below with respect to the service charge accounts set out on pages 5 to 6 in respect of Forestfield Management Company Limited for the year ended 28 September 2021 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 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 purpose. 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 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;
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.

Forestfield Management Company Limited

**Accountant's Report of Factual Findings to the Directors of
Forestfield Management Company Limited**

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 6 of the service charge accounts, reconciles to the bank statement for the accounts in which the funds are held.

Signed:

Date:

Richard Place Dobson Services Ltd
1 – 7 Station Road
Crawley
West Sussex
RH10 1HT

Forestfield Management Company Limited

Income and Expenditure Statement **For the Year Ended 28 September 2021**

	2021	2020
	£	£
INCOME		
Maintenance fees	48,336	46,125
Ground rent	2,008	1,349
Lease extension fees	-	
Interest received	162	219
Total income receivable	<u>50,506</u>	<u>60,693</u>
EXPENDITURE		
Insurance	4,064	3,923
Lighting	2,100	1,860
General maintenance	38,147	2,303
Garden maintenance	35,276	30,225
Printing and postage	60	49
Computer running costs	576	1,020
Accountancy	876	900
Bank charges	76	86
Bad debt provision	(1,070)	1,070
Depreciation	1,827	1,825
Total expenditure	<u>81,932</u>	<u></u>
DEFICIT / SURPLUS	<u>(31,426)</u>	<u>17,432</u>

The notes form part of these service charge accounts.

Forestfield Management Company Limited

Balance Sheet as at 28 September 2021

	Notes	At 28.09.21 £	At 28.09.20 £
FIXED ASSETS			
Tangible assets	2	5,476	7,303
CURRENT ASSETS			
Debtors	3	30,657	46,668
Cash at bank and in hand		31,270	44,108
Reserve bank account		65,453	65,296
		<hr/> 132,856	<hr/> 163,375
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	(2,152)	(1,245)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 130,704	<hr/> 162,130
RESERVES			
Reserves	5	130,704	162,130
MEMBERS' FUNDS		<hr/> 130,704	<hr/> 162,130

The notes form part of these service charge accounts.

The service charge accounts were approved on

.....

A. Mitchell
Director

Forestfield Management Company Limited

Notes to the Service Charge Accounts **For the Year Ended 28 September 2021**

1. ACCOUNTING POLICIES / CONVENTION

- 1.1 The service charge accounts have been prepared on an accrual's basis under the historical cost convention.
- 1.2 Income for ground rent and maintenance services is recognised in the year it relates to. Lease extension fees represents amounts receivable from a lessee in exchange for an extension of the lease term granted during the year.
- 1.3 The general reserve represents the funds available to be spent on the day-to-day activities of the management company.
- 1.4 Service charge monies are held on trust in accordance with section 42 of the Landlord and Tenant Act 1987.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Nil
Garden improvements	10% Straight line

No depreciation is provided in respect of freehold land and buildings as it is the directors' opinion that the buildings are maintained such that the estimated residual value is in excess of cost and any depreciation charged would be immaterial.

- 1.6 Under the terms of the company's Memorandum of Association its members have undertaken to contribute a maximum of £10 each against any deficiency on a winding-up of the company.
- 1.7 The company is bound by its agreement with the owners and under the terms of its memorandum to retain and maintain the property.

The directors therefore consider that the property has no realisable market value when the nature and extent of the obligations inherent in the titles are taken into account.

Forestfield Management Company Limited

Notes to the Service Charge Accounts
For the Year Ended 28 September 2021

2. TANGIBLE FIXED ASSETS

	Land and buildings	Garden Improvements	Total
	£	£	£
Cost			
At 29 September 2020	1	18,252	18,253
Additions	-	-	-
At 28 September 2021	1	18,252	18,253
Depreciation			
At 29 September 2020	-	10,950	10,950
Charge for the year	-	1,827	1,827
At 28 September 2021	-	12,777	12,777
Net book value			
At 28 September 2021	1	5,475	5,476
At 28 September 2020	1	7,302	7,303

3. DEBTORS

	2021	2020
	£	£
Trade debtors	29,816	45,948
Prepayments	841	720
	30,657	46,668

Forestfield Management Company Limited

Notes to the Service Charge Accounts **For the Year Ended 28 September 2021**

4. CREDITORS

	2021	2020
	£	£
Payments received on account	-	228
Other creditors	2,152	1,017
	2,152	1,245

5. GENERAL RESERVE

	Reserves
	£
Balance at 29 September 2020	162,130
Profit for the year	-31,426
Balance at 28 September 2021	130,704

6. MAINTENANCE OF GARAGE BLOCKS AT FORESTFIELD

The Company has an obligation to maintain the common parts of the garage blocks. This includes the concrete slab on which the bungalows are built and the structural support for that slab, the footpaths to the garages and the bungalows, the external walls of the garages and the drainage systems of those common parts.

During 2016 the Company engaged a firm of building surveyors, Currie & Brown (CB), to inspect the five garage blocks. The Company asked CB to identify what repairs and maintenance work was needed. The inspection included concrete durability testing of the structures.

CB has issued their report on the inspection, a copy of which is available on the Forestfield website. In summary, CB noted that:

‘Generally, each development remains in fair order albeit as the blocks are approaching 50 years of age with negligible planned maintenance works implemented, the external fabric requires repairs and maintenance to increase the service life of construction elements’

In the light of the results of the CB survey, the directors are of the opinion that, as at the date of the survey, there is no failure by the Company in its obligation to provide ‘subadjacent and lateral support and shelter and protection’ as specified in the leases between the Company and the lessees of the bungalows above the garages.

The directors have undertaken various remedial works on the garages since the CB report to address some of the matters identified. The directors continue to monitor the condition of the garages and conclude that, as at 28 September 2021, the Company continues to meet its responsibility to the lessees of the bungalows above the garages and consequently no liability is required to be recognised in the financial statements.

The directors expect to continue to undertake regular maintenance and repair work on the garages to ensure that the Company continues to meet its obligations to the bungalow lessees. The directors expect to fund these further works out of existing reserves and future annual maintenance charges receivable from the homeowners on the Forestfield estate.

7. RELATED PARTIES

The company directors all pay maintenance to the company in accordance with the maintenance set for the year for the properties.

During the year ended 28 September 2021 the Company did not undertake any other transactions with related parties.