

EAST HILL ESTATE
SERVICE CHARGE ACCOUNTS
YEAR ENDED 31 DECEMBER 2010

Payne & Co
Chartered Accountants
London

ACCOUNTANTS' REPORT TO THE TENANTS OF THE EAST HILL ESTATE
FOR THE YEAR ENDED 31 DECEMBER 2010

We certify that we have examined the statements and related notes on pages 2 and 3 of the service costs and charges to the tenants of the East Hill Estate for the year ended 31 December 2010.

This report is made solely to the tenants, as a body. Our work has been undertaken so that we might state to the tenants those matters we are required to state to them in an accountant's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the tenants and the tenants as a body, for our work, for this report, or for the opinions we have formed.

In our opinion these statements are a fair summary of the costs set out in a way which shows how they are reflected in the demands for service charges and are sufficiently supported by accounts, receipts and other documents which have been produced to us.

Payne & Co
Chartered Accountants

16 Ingham Road
London
NW6 1DE

12 September 2011

East Hill Estate Service Charges

Year ended 31 December 2010

Property Type	Total	Type A	Type C1	Type C2	Type H	Type C3	Type B/D/E/F/G
Number of Units	444	178	40	43	32	2	149
Costs incurred:	%	%	%	%	%	%	%
Note	£	£	£	£	£	£	£
Estate Garden Maintenance	100	33,914	76.20	76.20	76.20	76.20	76.20
Lawn Maintenance	100	6,024	0.5618	0.2247	0.2247	0.2247	0.2247
Common Parts Cleaning and Palladins	100	34,415	0.4274	147.09	109.44	110.16	110.16
Electricity, Repairs to Common Parts and Health & Safety	100	67,179	0.3953	265.56	265.56	265.56	265.56
Estate Costs including Public Liability	100	4,066	0.2247	9.14	9.14	9.14	9.14
Accountants/Solicitors/Professional fees	100	8,299	0.2247	18.65	18.65	18.65	18.65
Managing Agents	100	30,934	0.2469	76.38	76.38	76.38	76.38
Reserve fund	100	2,500	0.339	8.48	8.48	8.48	8.48
Reserve fund estate	100	2,500	0.2247	5.62	5.62	5.62	5.62
Credit from other operating income less administrative costs	100	-4,257	0.2253	-9.59	-9.59	-9.59	-9.59
Total expenditure before buildings insurance and painting costs		<u>185,574</u>					
Service charges due per unit			<u>184.87</u>	<u>559.86</u>	<u>560.59</u>	<u>164.88</u>	<u>156.41</u>
Service charges due all units		<u>185,424</u>	<u>7,395</u>	<u>24,074</u>	<u>17,939</u>	<u>330</u>	<u>23,305</u>
Reconciliation to the company accounts:							
Total all units per above		185,424					
Rounding difference on percentages		<u>150</u>					
Buildings insurance	2	18,501					
Roof repairs	2	24,557					
Service Charges per company accounts		-217,293					
Deficit to be called per company accounts		<u><u>11,339</u></u>					

East Hill Estate Service Charges

Year ended 31 December 2010

Property Type	Type A	Type C1	Type C2	Type H	Type C3	Type B/D/E/F/G
Number of Units	178	40	43	32	2	149
Total	£	£	£	£	£	£
Service Charge Repayments Due:						
Service Charge 53 & 54 as charged -per unit	600	172	518	518	152	142
Service charges due per unit (Page 2)	631.36	184.87	559.86	560.59	164.88	156.41
Refund/(charge) due per unit	<u>-31.36</u>	<u>-12.87</u>	<u>-41.86</u>	<u>-42.59</u>	<u>-12.88</u>	<u>-14.41</u>
Refund/(charge) due all units	<u>-5,582</u>	<u>-515</u>	<u>-1,800</u>	<u>-1,363</u>	<u>-26</u>	<u>-2,147</u>
	<u>-11,432</u>					

Reconciliation to the company accounts:

Refund due all units per above	-11,432
Rounding difference on percentages	93
Deficit to be called per company accounts	<u>-11,339</u>

Notes

- 1 Managing agents costs are allocated in proportion to the original service charge percentages, which cannot be used unadjusted since they do not total 100%.
- 2 Buildings insurance and roof repair costs are recharged on the basis of actual expenditure incurred.

We approve these accounts and confirm that we have made available all the information and explanations necessary for their preparation.

On behalf of the Board

12 September 2011

NAVARRE LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010		2009	
	£	£	£	£
SERVICE CHARGES				
Charged		217,293		229,235
Timing differences (painting recharges)		-		(30,491)
		<u>217,293</u>		<u>198,744</u>
COST OF SALES				
Building insurance	18,501		17,535	
Buildings insurance refund	-		-	
Electricity hallways (and water)	13,065		12,583	
Repairs to flats & maisonettes including health and safety	54,114		45,604	
Cleaning	34,415		34,441	
Gardening	33,965		20,942	
Repairs to estate	5,973		3,834	
Painting	-		16,774	
Repairs to roof	24,557		-	
Managing agents	30,934		30,276	
Estate office	4,066		2,805	
Audit & accountancy	4,149		4,148	
Legal & professional costs	4,150		3,002	
		<u>227,889</u>		<u>191,944</u>
GROSS PROFIT/(LOSS)		<u>(10,596)</u>		<u>6,800</u>
OTHER OPERATING INCOME				
Interest receivable	679		855	
Rental income	4,946		5,118	
		<u>5,625</u>		<u>5,973</u>
		<u>(4,971)</u>		<u>12,773</u>
LESS: ADMINISTRATIVE COSTS				
Bank interest & charges	-		-	
Sundry expenses	157		(17)	
Depreciation	135		136	
		<u>292</u>		<u>119</u>
DEFICIT FOR THE YEAR		<u><u>(5,263)</u></u>		<u><u>12,654</u></u>

NAVARRE LIMITED

SERVICE COSTS ANALYSIS

FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECT INCOME & COSTS

	As charged - service charges 53 & 54 £	Actual £	Surplus/ (Deficit) £
Building insurance	18,501	18,501	-
Electricity hallways	10,000	13,065	(3,065)
Repairs to flats & maisonettes including health & safety	47,800	54,114	(6,314)
Gardening & cleaning	67,000	68,380	(1,380)
Managing agents	30,935	30,934	1
Estate costs including insurance	7,500	4,066	3,434
Audit & accountancy	6,000	4,149	1,851
Legal & professional	-	4,150	(4,150)
Repairs to estate/contingencies	-	5,973	(5,973)
Roof repairs	24,557	24,557	-
Reserve fund	5,000	-	5,000
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	217,293	227,889	(10,596)
OTHER COSTS & INCOME			
Painting costs receivable (timing differences)			-
Administration costs			(292)
Interest receivable			679
Rental income			4,946

			(5,263)
Corporation tax payable			(1,076)

			(6,339)
Transfer to maintenance and building reserve			(5,000)

Service charges to be called			£(11,339)
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