

Yourlife Management Services Ltd
SERVICE CHARGE STATEMENT OF ACCOUNT
Tudor Rose Court - Southsea
For the year ended 30 June 2023

Tudor Rose Court - Southsea
Service Charge Income and Expenditure Account
For the year ended 30 June 2023

	30 Jun 2023 Actual £	30 Jun 2023 Budget £	30 Jun 2022 Actual £
Service Charge Fee Income	543,997	543,997	522,332
Guest Suite Income	2,312	700	3,323
Other Income	1,200	500	800
Net Meals Income (Note 4)	8,575	-	-
Income	<u>556,084</u>	<u>545,197</u>	<u>526,455</u>
Cost of Employment	161,578	169,399	142,729
Domestic Assistance	38,798	52,308	26,098
24 hour Emergency Monitoring	2,406	2,654	2,687
Office Costs	10,986	7,065	6,640
Development Manager and Associated Costs	<u>213,768</u>	<u>231,426</u>	<u>178,154</u>
Food and Beverage	115,747	111,847	110,364
Net Meals Expenditure (Note 4)	-	-	8,685
Food and Beverage Total	<u>115,747</u>	<u>111,847</u>	<u>119,049</u>
Energy	59,141	29,828	35,845
Water and Sewerage	5,640	7,701	9,460
Insurance	13,058	12,815	10,400
Grounds Maintenance	5,019	5,253	2,934
Window Cleaning	6,307	6,757	6,307
Communal Cleaning	38,249	40,528	39,804
PPE	-	200	5
Communal Services	<u>127,414</u>	<u>103,082</u>	<u>104,755</u>
Emergency Call System	5,204	6,104	4,550
Lift Maintenance	5,303	5,111	6,336
General Maintenance	47,236	18,734	25,683
Repairs and Maintenance	<u>57,743</u>	<u>29,949</u>	<u>36,569</u>
Management Fee	38,137	38,137	37,026
Audit Fee	810	774	762
Bank Charges	157	247	907
Registered Managers Fees (CQC)	565	750	1,275
Professional Services	<u>39,669</u>	<u>39,908</u>	<u>39,970</u>
Contingency Fund	28,985	28,985	28,416
Contributions from division	(8,000)	-	-
Expenditure	<u>575,326</u>	<u>545,197</u>	<u>506,913</u>
Surplus/(Deficit)	<u>(19,242)</u>	<u>-</u>	<u>19,542</u>

Tudor Rose Court - Southsea
 Balance Sheet
 As at 30 June 2023

	30 Jun 2023 Actual £	30 Jun 2022 Actual £
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Assets		
Deficit for the period	19,242	-
Debtors (Note 5)	119,172	86,058
Cash at bank and in hand	205,913	214,409
Total assets	<u>344,327</u>	<u>300,467</u>
Liabilities		
Surplus for the period	-	19,542
Creditors (Note 6)	148,167	129,885
Total Liabilities	<u>148,167</u>	<u>149,427</u>
Net assets	<u>196,160</u>	<u>151,040</u>
Reserves		
Contingency Fund (Note 7)	<u>196,160</u>	<u>151,040</u>
Balance carried forward	<u>196,160</u>	<u>151,040</u>

For and on behalf of
 YourLife Management Services Limited
 and signed on its behalf by

Fiona Carleton

11 Dec 2023

F.Carleton
 Director

Tudor Rose Court - Southsea
Notes to the Service Charge Accounts
For the year ended 30 June 2023

1. Accounting Policies

1.1 Basis of preparation

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

1.2 Service charges receivable

Service charges are invoiced in advance in accordance with the lease. The annual Service Charge budget is apportioned to individual apartments based on the lease fraction set out in the Eighth Schedule of the lease.

1.3 Contingency Fund

The charge for the year is in accordance with the lease and approved budgets at the beginning of the financial period. Upon completion of every disposition, assignment, underletting or other material change in occupation or possession of the premises, the homeowner will pay to the landlord a contingency fee of 1% of the gross sale price or unencumbered open market value. The fund is held by the landlord or its agent on trust for the homeowners of the building and utilised for or towards the cost of capital expenditure, upgrading and improving the estate and for meeting costs and expenditure incurred less frequently than once in every year, where the level of the fund allows.

1.4 Guest Suite Income Policy

Guest suite income is recognised when the service is utilised.

2. Tax provided on bank interest received

A Service Charge Trust has been established by Section 42 of the Landlord & Tenant Act 1987 and the Lease. Interest earned on Service Charge monies held on deposit is received gross. The gross rate of bank interest received during the period was 0.2% below base rate (2022: 0.20% below base rate), and is included in the contingency fund. With effect from December 2022, HSBC amended the terms and conditions on the current accounts, resulting in them no longer being interest bearing. No interest has been accounted for between December 2022 and the accounting reference date.

3. Bank Account

Service Charge money was held in trust at HSBC 8 Canada Square, London, E14 5HG under the title Tudor Rose Court Current Account - Client Account, account number: 72623226. This was an interest bearing account as referenced in Note 2 above.

Whilst processing payments or collections, service charge receipts and payments were also held in trust on a short term basis at HSBC 8 Canada Square, London, E14 5HG under the title YLMS Cleardown account, account number: 22492482.

Tudor Rose Court - Southsea
Notes to the Service Charge Accounts
For the year ended 30 June 2023

4. Net Meals Income/ (Expenditure)	30 Jun 2023	30 Jun 2022
	£	£
Net Meals Income	3,710	39,011
Food Allowance	4,865	(47,696)
	<u>8,575</u>	<u>(8,685)</u>
5. Debtors	30 Jun 2023	30 Jun 2022
	£	£
Amounts owed by homeowners	70,715	68,994
Other debtors	27,672	10,927
Prepayments and accrued income	20,785	6,137
	<u>119,172</u>	<u>86,058</u>
6. Creditors	30 Jun 2023	30 Jun 2022
	£	£
Accruals and deferred income	45,461	44,497
Other creditors	101,313	79,868
Amounts owed to landlord	1,393	5,520
	<u>148,167</u>	<u>129,885</u>
7. Contingency Fund	30 Jun 2023	30 Jun 2022
	£	£
Balance Brought Forward	151,040	113,582
Contributions from Service Charge	28,985	28,416
Contributions from Re-sales & Sub-lettings	19,043	11,249
Bank Interest Received	1,519	336
Expenditure in the Year	(4,427)	(2,543)
Balance Carried Forward	<u>196,160</u>	<u>151,040</u>

Expenditure in the year includes £347 for professional fees relating to gas maintenance tender and £4,080 for new lightning protection unit.

Independent Auditor's report to the Managing Agent on behalf of the Landlord of Tudor Rose Court

We have audited the accompanying service charge accounts for Tudor Rose Court for the year ended 30 June 2023, which comprise the statement of service charge income and expenditure account, balance sheet as at 30 June 2023, and related notes. The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts.

Managing agent's responsibility for the accounts

The managing agent is responsible for the preparation of these accounts in accordance with the terms of the lease, and for such internal control as the managing agent determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the service charge accounts of Tudor Rose Court for the year ended 30 June 2023 are prepared, in all material respects, in accordance with the accounting policies set out in Note 1 to the accounts.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1 to the accounts which describe the basis of accounting. Our report has been prepared pursuant to the terms of our engagement letter and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of our engagement letter or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities even though the audit has been properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the managing agent, and the industry in which it operates. There are no specific laws and regulations governing service charge accounts, however ICAEW Tech release 03/11 provides guidance and appendices recommended for best practice.
- We obtained an understanding of how the managing agent is complying with these frameworks through discussions with management.
- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and discussions with management.
- We assessed the susceptibility of these service charge accounts to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the company operates in, and their practical experience through training and participation with audit engagements of a similar nature.

Alan Davies

Alan Davies FCA (Senior Statutory Auditor)
For and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Chartered Accountants
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

11 Dec 2023

Date: