

**RIVERMEAD COURT
RANELAGH GARDENS
LONDON SW6**

**SERVICE CHARGE ACCOUNTS
YEAR ENDED
31 DECEMBER 2023**

**RIVERMEAD COURT
INDEPENDENT AUDITOR'S REPORT TO THE LANDLORD,
RIVERMEAD COURT LIMITED, OF RIVERMEAD COURT LONDON SW6**

We have audited the accompanying service charge accounts for Rivermead Court for the year ended 31 December 2023, which comprise the statement of service charge income and expenditure account, balance sheet as at 31 December 2023 and related notes. The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts.

Landlord's, Rivermead Court Limited, responsibility for the accounts

The landlord, Rivermead Court Limited, is responsible for the preparation of these accounts in accordance with the terms of the leases, and for such internal control as the landlord 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 accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the service charge accounts of Rivermead Court for the year ended 31 December 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 restrictions 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.

Wellden Turnbull Limited
Chartered Accountants & Registered Auditors
180 Piccadilly
London
W1J 9HF

Dated: 2 May 2024

RIVERMEAD COURT
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	Budget £	2022 £
INCOME				
Service Charges Demanded		1,703,240	1,730,700	1,329,341
Contribution from Rivermead Court Limited in respect of Company owned flats	2	20,197	-	61,193
Interest received		6,017	-	-
Service charge income		<u>1,729,454</u>	<u>1,730,700</u>	<u>1,390,534</u>
EXPENDITURE				
Staff				
Wages including national insurance		413,513	430,535	423,179
Uniforms		-	2,125	6,442
Council tax		2,612	-	2,439
Water rates		1,025	1,360	2,049
Pension contributions		3,860	13,177	11,292
Other staff costs (including recruitment costs)		5,527	2,203	10,677
		<u>426,537</u>	<u>449,400</u>	<u>456,078</u>
Contribution from Rivermead Court Limited in respect of Staff costs	3	(86,622)	(90,000)	(91,216)
		<u>339,915</u>	<u>359,400</u>	<u>364,862</u>
Heat and Water				
Boiler repairs and maintenance		58,452	45,000	56,250
Plumbing and heating repair		35,476	15,000	16,390
Gas		358,414	400,000	228,428
Electricity		168,607	166,000	133,474
Water hygiene		49,271	73,000	58,990
Professional advice on communal water		12,859	18,000	13,394
		<u>683,079</u>	<u>717,000</u>	<u>506,926</u>
Contribution from Major works reserve	5	-	-	(121,902)
		<u>683,079</u>	<u>717,000</u>	<u>385,024</u>
Estates				
Lift maintenance and supervision contracts		28,294	37,600	31,308
Lift repairs and refurbishment		27,985	12,000	13,918
CCTV and security		1,932	7,200	2,664
Entrance gates and access		4,627	13,400	6,758
Television system		1,373	3,600	4,131
Telephone		1,997	3,000	4,650
		<u>66,208</u>	<u>76,800</u>	<u>63,429</u>
Expenditure carried forward		<u>1,089,202</u>	<u>1,153,200</u>	<u>813,315</u>

**RIVERMEAD COURT
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	Budget £	2022 £
Expenditure brought forward		1,089,202	1,153,200	813,315
Gardens				
Maintenance contracts		66,574	63,800	69,052
Plants, materials and minor works		613	5,000	-
		<u>67,187</u>	<u>68,800</u>	<u>69,052</u>
Estate Management				
Building repairs and maintenance		86,648	29,000	70,095
		<u>86,648</u>	<u>29,000</u>	<u>70,095</u>
Operational				
General and window cleaning		5,203	3,000	6,693
Cleaning materials		4,339	3,000	-
Regulatory Compliance and expenses		13,920	2,500	-
Health and safety fees		9,748	2,000	450
Refuse		1,997	2,500	1,727
Fire alarm maintenance		4,687	1,500	14,910
Pest Control		3,274	4,000	2,944
Printing and stationery		955	3,000	3,565
Operational expenses adjusted by managing agents		(6,421)	-	-
Sundry estate expenses		5,806	2,400	5,401
		<u>43,508</u>	<u>23,900</u>	<u>35,690</u>
Finance				
Legal and professional fees		9,066	1,916	4,620
Professional treasurer fees		45,886	26,500	23,712
Management fees		73,105	69,000	66,360
Auditors remuneration		3,500	3,600	3,693
Building and terrorism insurance	4	353,164	344,200	259,666
Engineering insurance		9,627	10,500	10,187
Bank charges and other		167	84	-
Ground rent and licence fees		1,191	-	1,234
		<u>495,706</u>	<u>455,800</u>	<u>369,472</u>
Service charge expenditure		<u>1,782,251</u>	<u>1,730,700</u>	<u>1,357,624</u>
Service charge (deficit)/surplus		<u>(52,797)</u>	<u>-</u>	<u>32,910</u>

MANAGING AGENT'S STATEMENT

The property managing agents, Faraday Property Management Limited, of 20 Red Lion Street, London, WC1R 4PS, (formerly of 4th Floor, High Holborn House, 52-54 High Holborn, London, WC1V 6RL) managed and administered Rivermead Court in the year ended 31 December 2023 until their term in office ended on 12 December 2023.

JCF Property Management were appointed by the directors as property managing agents on 13 December 2023.

The service charge accounts for Rivermead Court Limited have been compiled and prepared by Blue Peak Limited from information supplied and records maintained by Faradays and show that the total expenditure for the year end 31 December 2023 is £1,782,251. The deficit of £52,797 in the current year will be transferred to the Major Works Reserve Fund in accordance with the instructions of the Directors of Rivermead Court Limited.

**RIVERMEAD COURT
MAJOR WORKS RESERVE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	Budget £	2022 £
Major works income				
Major works charges demanded from leaseholders		795,689	786,300	745,202
Contribution from Rivermead Court Limited in respect of Company owned flats	2	9,436	-	-
Interest received on deposits and on late payment by lessees		51,258	-	2,805
Major works reserve income		<u>856,383</u>	<u>786,300</u>	<u>748,007</u>
Project and major works expenditure				
External redecorations		-	786,300	87,789
Secret Garden works		-	-	813
Tree works		-	-	3,072
Porter welfare room works		1,054	-	45,302
Entrance Hall carpets		-	-	49,050
Lift works		-	-	35,594
Contribution to Service Charge heating cost	5	-	-	121,902
Lightwell access project		75,846	-	-
Surveyor and professional fees	6	12,090	-	4,718
Major works reserve expenditure		<u>88,990</u>	<u>786,300</u>	<u>348,240</u>
Major works reserve surplus		<u>767,393</u>	<u>-</u>	<u>399,767</u>
Major works/Service charge reserve brought forward 1 January 2023		1,932,111		1,499,434
Major works reserve surplus for year		767,393		399,767
Service charge (deficit)/surplus for the year		(52,797)		32,910
Major works/Service charge reserve carried forward 31 December 2023		<u>2,646,707</u>	<u>-</u>	<u>1,932,111</u>

The fund should not be regarded as the sum required to meet future costs in full but only as a contribution to such costs.

From time to time the Company makes loans to the reserve and vice versa. These flows provide the funds required to meet shortfalls between the cost of major works and the charges raised. The Rivermead Court Limited debtor represents an amount of money the Company has undertaken to contribute to the service charge accounts for works less the contributions as detailed within notes 2 and 3 to these accounts.

RIVERMEAD COURT
SERVICE CHARGE AND MAJOR WORKS RESERVE BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Current assets			
Charges receivable at year end	7	1,374,764	1,056,164
Other debtors and prepayments		517,885	347,204
Intercompany account Rivermead Court Limited		264,914	188,587
Cash at bank and monies held by Managing agents		1,974,730	1,789,228
		<u>4,132,293</u>	<u>3,381,183</u>
Current liabilities			
Charges billed in advance	7	1,377,875	1,250,608
Creditors and accounts payable		4,272	105,265
Other creditors and accruals		103,439	93,199
		<u>1,485,586</u>	<u>1,449,072</u>
Net assets		<u><u>2,646,707</u></u>	<u><u>1,932,111</u></u>
Represented by:			
Major works/Service charge reserve brought forward 1 January 2023		1,932,111	1,499,434
Major works reserve fund surplus for the year		767,393	399,767
Service charge (deficit)/surplus for the year		(52,797)	32,910
Major works/Service charge reserve carried forward 31 December 2023		<u><u>2,646,707</u></u>	<u><u>1,932,111</u></u>

**RIVERMEAD COURT LONDON SW6
NOTES TO THE SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 ACCOUNTING POLICIES

The accounts have been prepared under a historical cost convention and applicable accounting standards.

SERVICE CHARGES

The service charges receivable in the service charge account represents amounts due from lessees in respect of the financial year.

BANK INTEREST RECEIVABLE

Interest from the bank is received gross however an allowance for 20% withholding tax is made to be paid to HMRC.

2 CONTRIBUTION FROM RIVERMEAD COURT LIMITED IN RESPECT OF SHARE OF GENERAL EXPENSES BORNE BY COMPANY OWNED FLATS

Rivermead Court Limited owns five flats in the buildings. The costs associated with the two staff flats are included in the Service Charge. The costs associated with the three flats that are rented out commercially need to be paid by Rivermead Court Limited. The company contribution has been fundamentally recalculated for 2023, reflecting the same basis used for the 2024 budget, i.e. assigning notional lease percentages to the flats. In previous years, Faraday used an out-dated calculation which is no longer relevant.

3 CONTRIBUTION FROM RIVERMEAD COURT LIMITED IN RESPECT OF STAFF COSTS BORNE BY COMPANY

As Rivermead Court Limited receives the benefit and support of the staff in the management of the Estate, it was agreed that Rivermead Court Limited should bear a portion of the Staff costs expended by the Service Charge. The contribution for 2023 includes an additional amount arising from the pipe work project. Therefore, this portion of the cost is deemed to belong to Rivermead Court Limited and thus is shown as part of the costs in the Rivermead Court Limited Company accounts.

4 BUILDING INSURANCE

The property is insured with Ecclesiastical Insurance Office plc, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ.

The policy number is 08/IPO/0393362 and as at 29 November 2024 the sum insured, which is index linked, is £130,577,070.

Terrorism cover is separately insured.

5 CONTRIBUTION TO SERVICE CHARGE HEATING COST

This contribution reflects the commitment of the Board to provide for any shortfall out of the Reserve Fund arising from that estimated in the budget for 2022.

**RIVERMEAD COURT LONDON SW6
NOTES TO THE SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. SURVEY AND PROFESSIONAL FEES

Survey and professional fees are made up of payments to Faraday Surveyors in relation to overseeing works in addition to overseeing the Lightwell works.

7. CHARGES DEMANDED IN ADVANCE/OUTSTANDING AT YEAR END

Charges for the service charge and reserve funds are demanded on a six-monthly basis in advance on 25 December and 24 June every year.

Therefore, this creates a liability, each year, at year end, for the first six monthly tranche of demands which are demanded before the year end (2023: £1,377,875, 2022: £1,250,608).

The amount shown as outstanding at year end (2023: £1,374,764, 2022: £1,056,164), is the value of these demands that have not yet been settled by the year end.