

Company Registration No. 01459305 (England and Wales)

LAUDERDALE MANSIONS (SOUTH) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 2012

LAUDERDALE MANSIONS (SOUTH) LIMITED

YEAR ENDED 28 SEPTEMBER 2012

COMPANY INFORMATION

Directors	Matthew Brettler Stephen Sanderson Srdjan Vlaskalic Peter Hartill Karine Samaha Raphael Smadja Jean-Philippe Verdier Jenifer Landor	Chairman (alternate for S Vlaskalic)
Company number	01459305	
Registered office	55 Station Road, Beaconsfield, Bucks HP9 1QL	
Auditors	Rouse Audit LLP 55 Station Road, Beaconsfield, Bucks. HP9 1QL	
Bankers	Barclays Bank Plc Barclays Business Centre, Onslow Hall, The Little Green Richmond Surrey TW9 1QS	
Solicitors	WGS Solicitors 133 Praed Street London W2 1RN	
Managing Agents	Aldergill Limited 45 Poplar Close Leighton Buzzard Bedfordshire LU7 3BS	
Insurance Brokers	St Giles Insurance & Financial Services Ltd 17 Headlands Business Park Salisbury Road Ringwood Hants BH24 3PB	

LAUDERDALE MANSIONS (SOUTH) LIMITED

YEAR ENDED 28 SEPTEMBER 2012

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LAUDERDALE MANSIONS (SOUTH) LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 28 SEPTEMBER 2012

The Board's goal at Lauderdale Mansions South (LMS) is that our building should be the best-run mansion flat building and communal gardens in Maida Vale. By this we mean that the company should be the most efficiently run, with the best value-for-money services for leaseholders and shareholders, and that the management of the company should be seen as transparent, accountable, fair and democratically appointed.

The directors of Lauderdale Mansions (South) are volunteers who are elected by shareholders. The good management of the company relies on the active participation of shareholders, whether by volunteering as a director or as a member of one of the working parties that support the Board.

The directors welcome input from all shareholders and continue to seek the involvement of all interested parties, either on the Board itself or through working parties and social events.

The use of permanent staff supported by self-employed contractors continues to pay dividends in ensuring a high quality of work at a reasonable price. As a result of this innovative approach LMS has one of the lowest service charges for a mansion block and is in an excellent state of repair – better, indeed, than many other blocks where the costs are significantly higher. Service charges were increased in October 2010 for the first time since 2002 and remained at that level for 2011-2012.

During the financial year to 28 September 2012 we:

- Carried out the significant part of the works for the water supply improvement programme which will remove the reliance on internal lead piping and the old mains feed pipe to deliver a consistent and adequate water pressure. This will protect against the risk of water starvation and loss of pressure, similar to that experienced by Lauderdale Mansions South in June 2011 when Thames Water reduced the water pressure locally as a result of a burst water main. The new system is currently undergoing testing before final completion.
- Substantially completed the work to the front elevations which included the redecoration and re-tiling of the roofs and continued with the rolling programme of internal and external refurbishment.
- Carried out a renovation programme to the front gardens and replaced a considerable number of shrubs which were showing signs of disease or age. Additional planting has also been utilised in the rear garden to screen the new pump house.

We are also pleased to support a continuing programme of social activities in the building that are organised by residents, and open to all residents and shareholders to participate in. These traditionally include a summer party and a bonfire night.

And finally, there are elements of hidden value when you own a flat in LMS which set us apart from many other mansion blocks in London. This means that demand for the flats remains high and that the value of a flat is often at a premium compared to similar-sized flats in other blocks.

LAUDERDALE MANSIONS (SOUTH) LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 28 SEPTEMBER 2012

- We have a large private garden which runs the whole length of Lauderdale Road providing a place for residents to relax, sunbathe and barbecue - when the weather permits.
- The vast majority of LMS flats are on a 999 year lease – which is not the case for some apparently identical flats in similar mansion blocks. The premium for the longer lease is significant and this should be reflected in a substantial value difference between two otherwise identical flats.
- When acquiring a flat in LMS the owner also becomes a shareholder of the company. Through its subsidiary, Manyplans Ltd, the company has substantial assets some of which are not reflected in the accounts, including the Porter's flat, loft and basement areas.

Matthew Brettler
Chairman of the Board

20th March 2013

Date

LAUDERDALE MANSIONS (SOUTH) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2012

The directors present their report and financial statements for the year ended 28 September 2012.

Principal activities

The principal activities of the company continued to be the management and maintenance of fifteen mansion blocks situated on the south side of the Lauderdale Road.

Through its subsidiary undertaking, Manyplans Limited, the company also owns the freehold of these blocks, which entitles it to collect ground rents.

Employees

	<u>2012</u>	<u>2011</u>
Staff costs, including employer's national insurance	£104,654	£99,197
Staff numbers (Full-time equivalent):		
Resident porter	1	1
Building staff	1.6	1.6

Results and Dividends

The company made neither a profit nor a loss in the year. Under its Articles it is not permitted to pay a dividend. Manyplans Limited made a loss for the year of £243,173 (2011: (£95,721)).

Fixed Assets

The freehold property owned by the company through its subsidiary undertaking, Manyplans Limited, includes one basement flat, basement storage areas, loft voids and a sizeable garden. The basement flat is occupied by the resident porter.

These have not been valued and are included in the accounts at nil cost, although the directors are of the opinion that these assets have value in excess of this.

Directors

The following directors have held office since 29 September 2011:

	<i>Appointed</i>	<i>Resigned</i>
Matthew Brettler		
Stephen Sanderson		
Srdjan Vlaskalic		
Peter Hartill		
Karine Samaha		
Raphael Smadja		
Jean-Philippe Verdier		
Jenifer Landor (alternate for S Vlaskalic)		

None of the directors had any interest in any of the contracts entered into by the company.

The current Board rules on conflicts of interest relating to directors are published on the Company's website. They are also available on request from the Company Secretary.

LAUDERDALE MANSIONS (SOUTH) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2012

Reporting Arrangements

The Directors are responsible for entering into contracts on behalf of the company, monitoring the work of the appointed agents, accountants and solicitors and for considering their advice. They are also responsible for preparing and presenting an annual service charge budget.

The managing agents, Aldergill Limited, report to the Board and are charged with planning and monitoring the annual maintenance of our property, keeping the company's books and collecting the service charge and ground rents. Service charge arrears are proactively managed and were NIL at year end.

Maintenance Programme

The service charge budget for each year is presented to shareholders for approval at an EGM.

Quality Control

Where required under the Landlord and Tenant legislation, detailed letters of consultation are sent to leaseholders which notify in advance, for example, when scaffolding is to be erected and when disruptions to power, water or gas are expected. However, the unique manner in which we employ full-time maintenance staff supported by ad-hoc sub-contractors was never envisaged by this legislation which also requires multiple quotations for each piece of work to be obtained. Our modus operandi provides us with a significantly higher quality of workmanship at noticeably lower costs than the use of third-party companies which is clearly of great benefit to shareholders and is reflected in our ability to maintain service charges whilst building a significant balance in our deposit account.

Where work is undertaken which might disturb residents the company has a policy of informing, in advance, those that may be affected and the Board tries to ensure that leaseholders are given advance notification of maintenance works even where the Landlord and Tenant legislation does not apply.

Service Charges

Service charges are due quarterly in advance, without deductions of any sort, on the customary quarter days. Any leaseholder who has fallen into service charge arrears should be aware that the Company will seek legal remedy to recover outstanding charges and the legal costs involved. If necessary the Company will seek to recover their costs through repossession.

The average quarterly service charge per flat for the years 2003 to 2012 is shown below:

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
£796	£796	£796	£796	£796	£796	£796	£796	£836	£836

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

LAUDERDALE MANSIONS (SOUTH) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2012

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally the directors have taken all necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Substantial Shareholdings

27 £1 ordinary shares are held by the Freshwater Group.

On behalf of the board

Matthew Brettler
Director

Date: 20th March 2013

LAUDERDALE MANSIONS (SOUTH) LIMITED

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2012

We have audited the financial statements of Lauderdale Mansions (South) Limited for the year ended 28 September 2012 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 September 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LAUDERDALE MANSIONS (SOUTH) LIMITED

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

David Sharp (Senior Statutory Auditor)
for and on behalf of Rouse Audit LLP

12th April 2013

Chartered Accountants
Statutory Auditor

55 Station Road
Beaconsfield
Bucks
HP9 1QL

LAUDERDALE MANSIONS (SOUTH) LIMITED

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 28 SEPTEMBER 2012

	Note	£	2012 £	£	2011 £
TURNOVER	3		593,479		590,505
EXPENDITURE					
Company's expenditure	7	473,259		474,969	
Subsidiary's expenditure	2	365,009		22,562	
			<hr/>	<hr/>	
			(838,268)		(497,531)
			<hr/>	<hr/>	
			(244,789)		92,974
Interest receivable			2,490		3,456
			<hr/>	<hr/>	
RESULTS FOR THE YEAR BEFORE TAXATION			(242,299)		96,430
Taxation	6		46,081		(20,636)
			<hr/>	<hr/>	
			(196,218)		75,794
Revenue reserves brought forward			353,072		277,278
			<hr/>	<hr/>	
REVENUE RESERVES CARRIED FORWARD			156,854		353,072
			<hr/> <hr/>		<hr/> <hr/>

LAUDERDALE MANSIONS (SOUTH) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 28 SEPTEMBER 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Land and buildings	9	9,646	10,279
CURRENT ASSETS			
Debtors	10	46,139	1,749
Cash at bank and in hand		458,896	678,851
		<u>505,035</u>	<u>680,600</u>
CURRENT LIABILITIES			
Creditors	11	(38,718)	(54,964)
		<u>466,317</u>	<u>625,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>475,963</u>	<u>635,915</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Provision for future expenditure	13	(287,967)	(251,701)
Net Assets		<u>187,996</u>	<u>384,214</u>
CAPITAL AND RESERVES			
Called up share capital	14	142	142
Share premium account	15	31,000	31,000
Revenue reserves		156,854	353,072
Shareholders Funds		<u>187,996</u>	<u>384,214</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 20th March 2013

Director

Company registration no: 1459305

LAUDERDALE MANSIONS (SOUTH) LIMITED

COMPANY BALANCE SHEET AS AT 28 September 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Investments			2		2
Current assets					
Debtors	10	58		1,749	
Cash at bank and in hand		433,607		660,952	
		433,665		662,701	
Creditors: amounts falling due within one year	11	(32,558)		(28,997)	
Manyplans Limited		(113,000)		(381,863)	
		(145,558)		(410,860)	
Net current assets			288,107		251,841
Provision for future expenditure b/f		(251,700)		(194,285)	
Current year (surplus)/deficit	13	(36,267)		(57,416)	
Provision for future expenditure c/f			(287,967)		(251,701)
Net assets			142		142
Capital and reserves					
Called up share capital	14		142		142
Shareholders' funds			142		142

LAUDERDALE MANSIONS (SOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 SEPTEMBER 2012

1 ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have been prepared on the going concern basis and the directors confirm their belief in the company's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

1.2 Turnover

Turnover represents service charges, ground rents receivable, basement storage charges, and lease extensions and arises wholly within the UK.

1.3 Investments

The company owns the whole of the issued share capital of Manyplans Limited, an unlisted company whose principal activity is the holding of the freehold of the properties at Lauderdale Mansions (South) Limited.

1.4 Tangible Fixed Assets and Depreciation

estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery 5% straight line

1.5 Basis of consolidation

The consolidated financial statements incorporate the results of Lauderdale Mansions (South) Limited and its wholly-owned subsidiary Manyplans Limited using the acquisition or merger method of accounting as required.

1.6 Provision for future expenditure

Any underspend on routine maintenance and major works, compared to service charges and interest receivable in the year, is transferred to a provision for future expenditure. If routine maintenance and major works exceed budget in any service year, such an excess may be alleviated in full or part from the provision for future expenditure.

2 MANYPLANS LIMITED

Manyplans Limited is a wholly-owned subsidiary of Lauderdale Mansions (South) Limited. As the freehold owner of the fifteen blocks of flats, it is entitled to collect ground rents and storage charges. During the year to 28 September 2012, the income and expenditure of Manyplans Limited was as follows:

	2012		2011	
	£	£	£	£
Ground rents		14,050		14,050
Storage rental		32,780		29,751
Licence fees		5,900		2,982
Income from the sale of assets and lease extensions		69,100		71,500
Other income		6		-
		<hr/>		<hr/>
		121,836		118,283
Planned maintenance	354,726		9,999	
Sundry	844		832	
Legal & Professional	-		4,266	
Audit fees	2,160		2,040	
Insurance	361		-	
Inter-co admin charge	6,285		4,791	
Depreciation	633		633	
	<hr/>	(365,009)	<hr/>	(22,562)
Interest receivable		-		-
		<hr/>		<hr/>
Trading profit before taxation		(243,173)		95,721
		<hr/> <hr/>		<hr/> <hr/>

LAUDERDALE MANSIONS (SOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 SEPTEMBER 2012

3	TURNOVER - GROUP			2012	2011
				£	£
	Ground rents, storage charges, sale of assets			121,836	118,283
	Service charges receivable (note 5)			471,418	471,418
	Other Income			225	804
				<u> </u>	<u> </u>
	Total turnover			<u>593,479</u>	<u>590,505</u>
4	RESULTS FOR THE YEAR BEFORE TAXATION				
	Are stated after charging:				
	Auditors' remuneration – audit services			<u>5,880</u>	<u>5,580</u>
5	SERVICE CHARGES				
	Service charges are payable by all leaseholders under the terms of their lease. The amount of charge is voted upon annually by shareholders, who are also lessees.				
6	TAXATION	Group	Company	Group	Company
		2012	2012	2011	2011
		£	£	£	£
	Domestic current year tax				
	UK corporation tax	-	-	20,636	709
	Prior year adjustment	-	-	-	-
	Deferred Tax				
	Origination and reversal of timing differences	(46,081)	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Current tax charge	<u>(46,081)</u>	<u>-</u>	<u>20,636</u>	<u>709</u>
7	ROUTINE AND PLANNED MAINTENANCE EXPENDITURE			2012	2011
				£	£
	Actual routine expenditure during the year			342,717	330,467
	Actual planned maintenance during the year			94,275	87,086
				<u>436,992</u>	<u>417,553</u>
	Transfer to/(from) provision for future expenditure (note 12)			36,267	57,416
				<u>473,259</u>	<u>474,969</u>
8	PROFIT FOR THE FINANCIAL YEAR				
	The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group surplus for the year includes a surplus of £NIL (2011: £NIL) after tax and before dividends which relates to Lauderdale Mansions (South) Limited.				

LAUDERDALE MANSIONS (SOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 SEPTEMBER 2012

9 TANGIBLE ASSETS	Plant and Machinery etc
Cost	
At 29 September 2011	12,669
Additions	-
At 28 September 2012	<u>12,669</u>
Depreciation	
At 29 September 2011	2,390
Charge for the year	633
At 28 September 2012	<u>3,023</u>
NBV at 28 September 2012	<u>9,646</u>
NBV at 28 September 2011	<u>10,279</u>

The freehold property owned by the company through its subsidiary undertaking, Manyplans Limited, includes one basement flat, all the basement storage areas and loft voids and a sizeable garden. The basement flat is used by the resident porter.

These have not been valued and are included in the accounts at nil cost, although the Directors are of the opinion that these assets have value in excess of this.

Barclays Bank Plc holds a first legal Charge over the property which supported a borrowing facility which has not been used since 1998. The Charge has never been cancelled and is not relied upon but has been maintained so that it is easier and cheaper to arrange finance should it ever be required in the future.

on a straight line basis.

10 DEBTORS	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Service charge arrears	58	58	-	-
Corporation tax receivable	-	-	-	-
Other debtors	-	-	1,749	1,749
	<u>58</u>	<u>58</u>	<u>1,749</u>	<u>1,749</u>
	<u>58</u>	<u>58</u>	<u>1,749</u>	<u>1,749</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Service charges received in advance	27,937	27,937	21,413	21,413
Taxation and social security	46,081	-	20,636	709
Other creditors	4,000	-	4,000	-
Accruals	6,781	4,621	8,915	6,875
	<u>84,799</u>	<u>32,558</u>	<u>54,964</u>	<u>28,997</u>
	<u>84,799</u>	<u>32,558</u>	<u>54,964</u>	<u>28,997</u>

LAUDERDALE MANSIONS (SOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 SEPTEMBER 2012

12 PROVISIONS FOR LIABILITIES

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2012	
Profit and loss account	(46,081)	
	<u><u> </u></u>	
	2012	2011
Other timing differences	(46,081)	-
	<u><u> </u></u>	<u><u> </u></u>

13 PROVISION FOR FUTURE EXPENDITURE

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Provision brought forward	251,701	251,701	194,285	194,285
Transfer from routine expenditure and planned maintenance	36,267	36,267	57,416	57,416
	<u><u>287,967</u></u>	<u><u>287,967</u></u>	<u><u>251,701</u></u>	<u><u>251,701</u></u>

14 SHARE CAPITAL

	2012 £	2011 £
Authorised		
142 Ordinary shares of £1 each	<u><u>142</u></u>	<u><u>142</u></u>
Allotted, called up and fully paid		
142 Ordinary shares of £1 each	<u><u>142</u></u>	<u><u>142</u></u>

15 SHARE PREMIUM ACCOUNT

	2012 £	2011 £
At 29 September 2011 and 28 September 2012	<u><u>31,000</u></u>	<u><u>31,000</u></u>

16 RELATED PARTY TRANSACTIONS

At the year end £113,000 (2011: £381,863) was owed to Manyplans Limited, a subsidiary of Lauderdale Mansions (South) Limited.

17 CAPITAL COMMITMENTS

At the year end there were no capital commitments.

LAUDERDALE MANSIONS (SOUTH) LIMITED

ACCOUNTANTS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2012

In accordance with our engagement letter, we have performed the procedures agreed with you and enumerated below with respect to the service charge statement of account set out on page 19 in respect of Lauderdale Mansions for the year ended 28th September 2012.

This report is made to the Landlord for issue with the service charge supplementary information 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 Accounting for Service Charges published jointly by ICAEW, ARMA and RICS. In summary, the procedures we carried out with respect to the service charge accounts were:

- 1 to check whether the figures contained in the information were extracted correctly from the accounting records maintained by or on behalf of the Landlord;
- 2 to check, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected; and
- 3 to check whether all service charge monies for this property are held in designated accounts with Barclays Bank and the balances reconciled to the fund balance shown on the statement of account.

These procedures did not constitute an audit in accordance with International Standards on Auditing (UK and Ireland) and were not designed to provide any assurance regarding whether the amounts charged are a reasonable amount for the services, or whether those services were provided effectively.

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 of Engagements, other matters might have come to our attention that would have been reported to you.

Report of actual 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 all service charge monies for the property were held in the designated account and the balances reconciled to the fund balance shown on page 5 of the statement of account.

Rouse Partners LLP
55 Station Road
Beaconsfield
HP9 1QL

Date 12th April 2013

LAUDERDALE MANSIONS (SOUTH) LIMITED

SERVICE CHARGE ACCOUNT

For the year ended 28 September 2012

		2012		2011
		£	£	£
Routine expenditure				
Porterage	- wages	24,723		24,136
	- rates and utilities	3,354		3,279
		<hr/>	28,077	<hr/>
Cleaning	- contracts	24,440		23,938
	- general	1,260		1,200
	- refuse removal	794		1,293
		<hr/>	26,494	<hr/>
Garden			15,554	12,943
Pest control			1,458	1,313
Electricity			5,333	5,465
Insurance			82,718	74,553
Professional	- management fee	40,000		40,000
	- audit	3,720		3,540
	- company secretarial service	19,190		5,000
		<hr/>	62,910	<hr/>
Maintenance	- staff costs	79,932		75,061
	- sub-contractor labour	13,830		19,035
	- general	22,741		16,617
	- entryphone	1,774		1,739
	- fire safety	4,522		23,240
		<hr/>	122,799	<hr/>
Administration			3,659	135,692
Less: Admin charge to subsidiary			(6,285)	2,906
			<hr/>	<hr/>
			342,717	330,467
Planned maintenance				
Building works		27,275		23,915
Subcontractor labour		67,000		63,171
		<hr/>	94,275	<hr/>
			<hr/>	<hr/>
Transfer to (from) provision for future expenditure			436,992	417,553
			36,267	57,416
			<hr/>	<hr/>
			473,259	474,969
			<hr/>	<hr/>
Representing:	Service charges receivable		471,418	471,418
	Other income		225	804
	Interest receivable		1,616	3,456
	Corporation tax		-	(709)
			<hr/>	<hr/>
			473,259	474,969
			<hr/>	<hr/>