

Company Registration No. 01459305 (England and Wales)

LAUDERDALE MANSIONS (SOUTH) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 SEPTEMBER 2013

LAUDERDALE MANSIONS (SOUTH) LIMITED

YEAR ENDED 28 SEPTEMBER 2013

COMPANY INFORMATION

Directors	Matthew Brettler Stephen Sanderson Srdjan Vlaskalic Peter Hartill Karine Samaha Jenifer Landor Kay Konop	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 2013

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LAUDERDALE MANSIONS (SOUTH) LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 28 SEPTEMBER 2013

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 and fair.

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 well maintained – 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 2012-2013.

During the financial year to 28 September 2013 we:

- Completed 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 now connected to over 80% of the flats.
- Completed the work to the Western elevation which included the refurbishment of brickwork.
- Continued with the rolling programme of internal and external refurbishment and decoration.
- Continued with our renovation programme to the front and rear gardens, replacing shrubs where required.

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.

- 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.

LAUDERDALE MANSIONS (SOUTH) LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 28 SEPTEMBER 2013

- 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.

It is these "hidden" elements which permit an LMS flat to continue to achieve a premium in both price and market demand.

Whether considering the purchase or the sale of a flat, always ask the local estate agent about these less obvious items to ensure that you are comparing accurately.



Matthew Bretler
Chairman of the Board

23/4/14

Date

LAUDERDALE MANSIONS (SOUTH) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2013

The directors present their report and financial statements for the year ended 28 September 2013.

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

Staff costs, including employer's national insurance		<u>2013</u> £108,960	<u>2012</u> £104,655
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 £29,780 (2012: (£197,092)).

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 2012:

	<i>Appointed</i>	<i>Resigned</i>
Matthew Brettler		
Stephen Sanderson		
Srdjan Vlaskalic		
Peter Hartill		
Karine Samaha		
Raphael Smadja		15-Mar-13
Jean-Philippe Verdier		19-Dec-12
Jenifer Landor (alternate for S Vlaskalic)		
Kay Konop	12-Jun-13	

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 Executive Administrator.

LAUDERDALE MANSIONS (SOUTH) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2013

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 £2,164 at the 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 2013 is shown below:

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
£796	£796	£796	£796	£796	£796	£796	£796	£836	£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 2013

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: 23/4/14

LAUDERDALE MANSIONS (SOUTH) LIMITED

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2013

We have audited the financial statements of Lauderdale Mansions (South) Limited for the year ended 28 September 2013 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 2013 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 2013

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.

Rouse Audit LLP

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

30/4/14

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 2013

	Note	2013	2012
		£	£
TURNOVER	3	526,836	593,479
EXPENDITURE			
Company's expenditure	7	477,164	474,134
Subsidiary's expenditure	2	88,543	365,009
		<u>(565,707)</u>	<u>(839,143)</u>
		(38,871)	(245,664)
Interest receivable		2,195	2,490
		<u>(36,676)</u>	<u>(243,174)</u>
RESULTS FOR THE YEAR BEFORE TAXATION		(36,676)	(243,174)
Taxation	6	6,896	46,081
		<u>(29,780)</u>	<u>(197,093)</u>
Revenue reserves brought forward		155,979	353,072
		<u>126,199</u>	<u>155,979</u>
REVENUE RESERVES CARRIED FORWARD		126,199	155,979

LAUDERDALE MANSIONS (SOUTH) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 28 SEPTEMBER 2013

	Notes	2013		2012	
		£	£	£	£
FIXED ASSETS					
Land and buildings	9		9,013		9,646
CURRENT ASSETS					
Debtors	10	48,245		46,139	
Cash at bank and in hand		521,363		458,896	
		<u>569,608</u>		<u>505,035</u>	
CURRENT LIABILITIES					
Creditors	11	(40,355)		(38,718)	
			<u>529,253</u>		<u>466,317</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>538,266</u>		<u>475,963</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
Provision for future expenditure	13		(380,925)		(288,842)
			<u>157,341</u>		<u>187,121</u>
Net Assets					
			<u>157,341</u>		<u>187,121</u>
CAPITAL AND RESERVES					
Called up share capital	14		142		142
Share premium account	15		31,000		31,000
Revenue reserves			126,199		155,979
			<u>157,341</u>		<u>187,121</u>
Shareholders Funds					
			<u>157,341</u>		<u>187,121</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 23/4/14

Matthew Brettler

Matthew Brettler
Director

Company registration no: 1459305

LAUDERDALE MANSIONS (SOUTH) LIMITED

**COMPANY BALANCE SHEET
AS AT 28 SEPTEMBER 2013**

	Notes	£	2013 £	£	2012 £
Fixed assets					
Investments			2		2
Current assets					
Debtors	10	2,164		58	
Cash at bank and in hand		497,498		434,481	
			499,662		434,539
Creditors: amounts falling due within one year	11	(41,090)		(32,558)	
Manyplans Limited		(77,507)		(113,000)	
			(118,597)		(145,558)
Net current assets			381,065		288,981
Provision for future expenditure b/f		(288,841)		(251,700)	
Current year (surplus)/deficit	13	(92,084)		(37,141)	
Provision for future expenditure c/f			(380,925)		(288,841)
Net assets			<u>142</u>		<u>142</u>
Capital and reserves					
Called up share capital	14		142		142
Shareholders' funds			<u>142</u>		<u>142</u>

LAUDERDALE MANSIONS (SOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 SEPTEMBER 2013

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated at rates estimated to write off the cost less

Plant and machinery	5% straight line
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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:

	2013		2012	
	£	£	£	£
Ground rents		14,050		14,050
Storage rental		32,907		32,780
Licence fees		2,750		5,900
Income from the sale of assets and lease extensions		-		69,100
Other income		2,160		6
		<u>51,867</u>		<u>121,836</u>
Planned maintenance	76,661		354,726	
Sundry	1,097		844	
Legal & Professional	1,200		-	
Audit fees	2,160		2,160	
Insurance	403		361	
Inter-co admin charge	6,389		6,285	
Depreciation	633		633	
		<u>(88,543)</u>		<u>(365,009)</u>
Interest receivable		-		-
Trading profit before taxation		<u>(36,676)</u>		<u>(243,173)</u>

LAUDERDALE MANSIONS (SOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 SEPTEMBER 2013

3	TURNOVER - GROUP	2013 £	2012 £
	Ground rents, storage charges, sale of assets	51,867	121,836
	Service charges receivable (note 5)	471,418	471,418
	Other Income	3,551	225
		<u> </u>	<u> </u>
	Total turnover	<u>526,836</u>	<u>593,479</u>

4 RESULTS FOR THE YEAR BEFORE TAXATION

Are stated after charging:

Auditors' remuneration – audit services	5,880	5,880
	<u> </u>	<u> </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 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
	Domestic current year tax				
	UK corporation tax	-	-	-	-
	Prior year adjustment	-	-	-	-
	Deferred Tax				
	Origination and reversal of timing differences	(6,896)	-	(46,081)	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Current tax charge	<u>(6,896)</u>	<u>-</u>	<u>(46,081)</u>	<u>-</u>

7 ROUTINE AND PLANNED MAINTENANCE EXPENDITURE

7	ROUTINE AND PLANNED MAINTENANCE EXPENDITURE	2013 £	2012 £
	Actual routine expenditure during the year	339,672	342,717
	Actual planned maintenance during the year	45,408	94,275
		<u>385,080</u>	<u>436,992</u>
	Transfer to/(from) provision for future expenditure (note 13)	92,084	36,267
		<u>477,164</u>	<u>473,259</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 (2012: £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 2013

9 TANGIBLE ASSETS	Plant and Machinery etc
Cost	
At 29 September 2012	12,669
Additions	-
At 28 September 2013	<u>12,669</u>
Depreciation	
At 29 September 2012	3,023
Charge for the year	633
At 28 September 2013	<u>3,656</u>
NBV at 28 September 2013	<u>9,013</u>
NBV at 28 September 2012	<u>9,646</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.

Fixed assets represent improvements to the rear pathway lighting. The asset is to be depreciated over 20 years on a straight line basis.

10 DEBTORS	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Service charge arrears	2,164	2,164	58	58
Corporation tax receivable	-	-	-	-
Other debtors	52,977	-	46,081	-
	<u>55,141</u>	<u>2,164</u>	<u>46,139</u>	<u>58</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Service charges received in advance	35,653	35,653	27,937	27,937
Taxation and social security	-	-	-	-
Other creditors	4,000	-	4,000	-
Accruals	7,598	5,438	6,781	4,621
	<u>47,251</u>	<u>41,090</u>	<u>38,718</u>	<u>32,558</u>

LAUDERDALE MANSIONS (SOUTH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 SEPTEMBER 2013**

12 PROVISIONS FOR LIABILITIES

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

	2013	
Balance at 29 September 2012	(46,081)	
Profit and loss account	(6,896)	
	<u> </u>	
	2013	2012
Other timing differences	(52,977)	(46,081)
	<u> </u>	<u> </u>

13 PROVISION FOR FUTURE EXPENDITURE

	Group	Company	Group	Company
	2013	2013	2012	2012
	£	£	£	£
Provision brought forward	288,842	288,842	251,701	251,701
Transfer from routine expenditure and planned maintenance	92,084	92,084	37,141	37,141
	<u>380,926</u>	<u>380,926</u>	<u>288,842</u>	<u>288,842</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 SHARE CAPITAL

	2013	2012
	£	£
Authorised		
142 Ordinary shares of £1 each	<u>142</u>	<u>142</u>
Allotted, called up and fully paid		
142 Ordinary shares of £1 each	<u>142</u>	<u>142</u>

15 SHARE PREMIUM ACCOUNT

	2013	2012
	£	£
At 29 September 2012 and 28 September 2013	<u>31,000</u>	<u>31,000</u>

16 RELATED PARTY TRANSACTIONS

At the year end £77,507 (2012: £113,000) 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 2013

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 2013.

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
Rouse Partners LLP
55 Station Road
Beaconsfield
HP9 1QL

Date 30/4/14

LAUDERDALE MANSIONS (SOUTH) LIMITED

SERVICE CHARGE ACCOUNT

For the year ended 28 September 2013

		2013		2012
		£	£	£
Routine expenditure				
Porterage	- wages	26,071		24,723
	- rates and utilities	3,849		3,354
			29,920	28,077
Cleaning	- contracts	24,637		24,440
	- general	1,425		1,260
	- refuse removal	818		794
			26,880	26,494
Garden			17,726	15,554
Pest control			2,364	1,458
Electricity			6,074	5,333
Insurance			84,957	82,718
Professional	- management fee	40,000		40,000
	- audit	3,720		3,720
	- company secretarial service	21,710		19,190
			65,430	62,910
Maintenance	- staff costs	82,889		79,932
	- sub-contractor labour	13,212		13,830
	- general	10,461		22,741
	- entryphone	1,983		1,774
	- fire safety	1,982		4,522
			110,527	122,799
Administration			2,183	3,659
Less: Admin charge to subsidiary			(6,389)	(6,285)
			339,672	342,717
Planned maintenance				
Building works		12,220		27,275
Subcontractor labour		33,188		67,000
			45,408	94,275
			385,080	436,992
Transfer to (from) provision for future expenditure			92,084	37,141
			477,164	474,133
Representing:	Service charges receivable		471,418	471,418
	Other income		3,551	225
	Interest receivable		2,195	2,490
	Corporation tax		-	-
			477,164	474,133