

STEEL SERVICES LIMITED
JEFFERSON HOUSE 11 BASIL STREET
LONDON SW3

SERVICE CHARGES
FOR THE YEAR ENDED 31 DECEMBER 2003

PRIDIE BREWSTER
CHARTERED ACCOUNTANTS

29/39 London Road
TWICKENHAM
Middlesex TW1 3SZ

5 November 2004

STEEL SERVICES LIMITED

JEFFERSON HOUSE 11 BASIL STREET LONDON SW3

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SERVICE CHARGES**FOR THE YEAR ENDED 31 DECEMBER 2003**

We have examined the attached summary of costs, outgoings and expenses for the year ended 31 December 2003 from the receipts, vouchers and other documentation provided to us by the Managing Agents.

There is no separate meter relating to the electricity charged for the common parts. Records relating to the payment of electricity charges for the block generally were kept throughout the year by the Managing Agents and we have accepted their calculations of the charges for the common parts and the caretaker's flat for the year.

The annexed Statement of the Contingency Fund shows the movements on the fund for the year ended 31 December 2003 and we can confirm that the balance of £131,124.68 (less an amount of £51,171.77 retained in current account to cover Service Charge expenditure pending receipt of Service Charge arrears from lessees) was held in a separate interest bearing account on that date.

The annexed Statement of the Major Works Fund shows the movements on the Fund for the year ended 31 December 2003 and we can confirm that the balance of £490,685.22 (together with a further amount of £12,576.03 representing the expenditure made out of the current account and to be reimbursed to that account at 31 December 2003) was held in three separate interest bearing accounts at that date.

Subject to the above, it is our opinion that the attached schedule of costs, expenses and outgoings is sufficiently supported by receipts and other documents and represents a fair summary of the said costs, expenses and outgoings and, when read in conjunction with the annexed summaries, shows how they are reflected in the Service Charge demands and specifies the amount payable by each lessee.

NOT SUPPLIED
Also NOT SUPPLIED: AMOUNT PAID / DUE BY FLAT

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SERVICE CHARGE EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2003

General Repairs and Maintenance		4,913.18
Lift Repairs and Maintenance		5,087.28
Boiler Repairs and Maintenance		3,944.20
Window Cleaning		2,016.00
Gas		6,851.35
Electricity		4,903.88
Insurances		8,237.69
Entryphone		1,662.79
Pest Control		2,566.62
Legal and Professional Fees		7,880.29
Agents' Fees		9,975.00
Accountants' Fees		995.00
Bank Charges		172.36
Sundry Expenses		247.45
Insurance Claims		1,485.64
Porter's Expenses:-		
- Wages and National Insurance	19,819.79	
- Rent	4,850.00	
- Telephone	830.66	
- Sundry Expenses	1,557.90	
		<u>27,058.35</u>
		<u>£87,997.08</u>

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CONTINGENCY FUND

FOR THE YEAR ENDED 31 DECEMBER 2003

BALANCE AT 1 JANUARY 2003	139,539.26
Add:	
Contributions Received	14,791.00
Net Interest Received	1,952.59
Less Expenditure:	
Legal and Professional Fees	(25,158.17)
BALANCE AT 31 DECEMBER 2003	<u>£131,124.68</u>

MAJOR WORKS FUND

FOR THE YEAR ENDED 31 DECEMBER 2003

BALANCE AT 1 JANUARY 2003	268,435.03
Add:	
Contributions Received	222,389.57
Net Interest Received	1,388.12
Less Expenditure:	
Professional Fees	(1,527.50)
BALANCE AT 31 DECEMBER 2003	<u>£490,685.22</u>