

Barnie

0207 361 3861

**STEEL SERVICES LIMITED
JEFFERSON HOUSE 11 BASIL STREET
LONDON SW3**

**SERVICE CHARGES
FOR THE YEAR ENDED 31 DECEMBER 2002**

**PRIDIE BREWSTER
CHARTERED ACCOUNTANTS**

29/39 London Road
TWICKENHAM
Middlesex TW1 3SZ

5 December 2003

STEEL SERVICES LIMITED
JEFFERSON HOUSE 11 BASIL STREET LONDON SW3

SERVICE CHARGES

FOR THE YEAR ENDED 31 DECEMBER 2002

We have examined the attached summary of costs, outgoings and expenses for the year ended 31 December 2002 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.

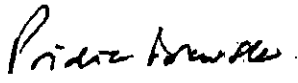
The annexed Statement of the Contingency Fund shows the movements on the fund for the year ended 31 December 2002 and we can confirm that the balance of £139,539.26 (less an amount of £13,733.94 retained in current account to cover Service Charge expenditure pending receipt of Service Charge arrears 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 2002 and we can confirm that the balance of £268,435.03 (together with a further amount of £11,048.53 representing the expenditure made out of the current account and to be reimbursed to that account at 31 December 2002) was held in two 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.

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PRIDIE: BREWSTER
CHARTERED ACCOUNTANTS

SERVICE CHARGE EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2002

General Repairs and Maintenance		5,439.32
Lift Repairs and Maintenance		1,006.03
Boiler Repairs and Maintenance		1,746.66
Window Cleaning		2,184.00
Gas		6,558.67
Electricity		3,184.93
Insurance		5,096.25
Entryphone		1,610.46
Pest Control		2,154.30
Professional Fees		2,405.26
Agents' Fees		9,150.00
Accountants' Fees		746.25
Bank Charges		194.01
Sundry Expenses		157.82
Porter's Expenses:-		
- Wages and National Insurance	19,804.46	
- Rent	4,000.00	
- Telephone	466.30	
- Sundry Expenses	3,555.40	
		<u>27,826.16</u>
		69,460.12
Less Interest Received		146.19
		<u>£69,313.93</u>

STEEL SERVICES LIMITED
JEFFERSON HOUSE 11 BASIL STREET LONDON SW3

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CONTINGENCY FUND**FOR THE YEAR ENDED 31 DECEMBER 2002**

BALANCE AT 1 JANUARY 2002	119,823.64
Add:	
Contributions Received	17,842.86
Net Interest Received	1,872.76
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BALANCE AT 31 DECEMBER 2002	<u>£139,539.26</u>

MAJOR WORKS FUND**FOR THE YEAR ENDED 31 DECEMBER 2002**

Contributions Received	279,483.56
Less Expenditure:	
Professional Fees	11,048.53
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BALANCE AT 31 DECEMBER 2002	<u>£268,435.03</u>