

4 August 2005

Our Ref: I69236/JV/hg

PRIVATE & CONFIDENTIAL

Ms N K-Dit-Rawé
3 Jefferson House
11 Basil Street
London
SW3 1AX

Dear Ms K-Dit-Rawé

Re: Complaint against Pridie Brewster

I have had the opportunity to review the papers that you have sent the Institute.

Firstly, I note that in your letter to the Institute dated 19 July 2005, you are making a Section 21(1) request under the Landlord & Tenants Act 1985 ('LTA') for the 2004 year end accounts to be prepared in accordance with the LTA. I would highlight that this request ought not to be directed at us, but at your managing agent/freeholder who should then instruct an accountant.

You have raised many points. Many of these are matters for the managing agent and I will not comment on them further as the Institute has no jurisdiction on such matters.

The key issue that you have identified of relevance to Pridie Brewster is that the 2003 accounts do not reflect the 17 June 2003 LVT determination.

The basis of the accountants report is "*We have examined the attached summary of costs, outgoings and expense and other documentation provided to us by the Managing Agent*".

The opinion stated that "*Subject to the above, it is our opinion that the attached schedules 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...*"

Pridie Brewster stated in their letter to you dated 15 April 2005 that Pridie Brewster were unaware of the LVT decision. Is there any evidence that they were made aware of the LVT hearing or the decision?

I do not see anywhere in the accountants' report an opinion provided that the costs have been checked for reasonableness or completeness or that an audit has been performed to ensure that they have been provided all the information.

Unless you have evidence to the contrary it would appear that the managing agent has failed to inform Pridie Brewster and as no audit (as referred to in the Companies Act 1985 and 1989) has been conducted to ascertain whether any information was not



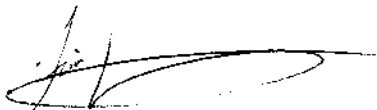
made available to them, then I am of the belief that the Investigation Committee would not consider that Pridie Brewster's actions warrant disciplinary action.

You believe that the 2003 accounts need to be restated. They do not appear to be statutory accounts (although I stand to be corrected) and hence I am unsure as to what legislation you are referring to that would require a restatement and reissuing of the 2003 accounts. For example, Company accounts often restate the comparatives in the following year (i.e. in 2004, the 2003 balances will be adjusted) to reflect a past error. Alternatively, on occasion the previous set of accounts are adjusted and reissued. Again this is an issue for the managing agents to instruct Pridie Brewster accordingly

Finally, I note that you have correctly informed the managing agents that funds must be kept in Trust. Again, this is not Pridie Brewster's responsibility and I would refer you to the accountant's report when considering the extent of the review.

On the basis of the above, I have not identified any heads of complaint that, in my personal opinion, would lead to a potential for disciplinary action and I would be grateful for any further evidence or comments you may have in response to the specific points I have made.

Yours sincerely



Jim Vessey ACA
Case Manager
Professional Conduct Directorate

Direct Telephone: 01908 546373
Department Fax: 01908 546271
Email: James.Vessey@icaew.co.uk