

"The sky cackles with a roar of thunder as it begins to rain, the leaves dance around our feet as we gawp up at the building in front of us, someone in the small crowd begins to freak out as we stare up at the dark brick building, the oldest children's asylum in all of eastwood.

The tall grey building towers above the trees, for miles there is nothing, we could not even hear the hum of cars passing on the closest motorway which was miles from us. We entered the building, it was as if we had taken a step back in time, the reception desk was painted in a dirty peeling blue paint a mouldy vase of flowers stood upon it, the chairs were decaying, the once brown leather was peeling and the wood part of the chairs wood worm eaten, the moth eaten fabric of the chairs seemed to come alive with the thick black house spiders that reside within them.

This is a great, developed description of setting that creates atmosphere! Well done!

Someone screams in fright, we all wipe our heads to look where the scream came from a girl no older than twenty recoiling from a dead rat that she had inevitably stepped on its recently dismembered body, its flesh was a strong smell, everyone else was crowding the girl and asking if she was okay but I stepped back, what had ripped the rat to shreds like that in such a violent manner, surely no other rat could have done that and the place looked as if it had not been touched by humans for many years, a cat maybe but we would have seen paw prints something did not seem right.

As we continued our venture into the building the clock struck midnight, we thought it best to settle down for the night. We walked over to the teenage ward, toys scattered the floor, dolls waiting for their long dead masters to return, stuffed dogs still sat on the neatly made beds. This was strange, why would the teenage ward be full of toy animals and dolls so neatly placed. A tall man began to talk about the history of the asylum, apparently in 1823 the building had been around for twenty three years and a very strange girl was brought here for violent behaviour, the nurses seemed to find her calm and cooperative, but on the night before her realisation she had a violent outburst ripping all of the girls in her ward limb from limb she was then hung in front of the building a month after. Everyone else seemed to think this was a horror story but all I could think was limb from limb like that rat we saw. I guess it was my fault what happened. I let her in by thinking about her.

oh nice moment here - emphasise it with paragraphing

Whilst I was thinking about the rat a familiar scream came from the girl, she was clinging on to someone else staring down at the bed, a decaying rotting corpse of a black haired girl, her neck looks flimsy her white night gown was smeared in blood, I walked over to the bed and put the covers back over her face and said a silent prayer, others around me began talking about the corpse, she matched the description of the limb from limb girl quite clearly every one else made the same connection, then the screaming girl started to speak.

"what a awful human she was and ugly too" she hissed  
"The little devil deserves to rot in hell," said another woman from the group.

Great details to increase tension

Use setting to build tension here - what is happening to the shadows for example?

then all of a sudden whispers began to fill the room and every one went quite, the clock struck one and that's when the first killing happened, the scream girl was ragged from the room by a cloudy figure, her shouts for help filled the air but everybody just stood there as if frozen, then all the yelling stopped as her head had been dismembered from her body.

All of a sudden everybody was alive and in action, a woman was shoved out of the window, a man hung in the curtains, all we could do was run, run, run. i did not know what to do, i threw myself into a wardrobe and hid, a woman was next to me, we waited, i thought it was all done the screaming had stopped, we had survived, but then a shadow came over the door, the woman next to me was dead before she could scream, then i knew it was my time to go, i was ragged out of the wardrobe, and throw in front of the dead girls body. "thank you, out of every one here" she stopped and gestured to all the morbid, dismembered bodys around her "you belst me, for that i thank you, bury my body in a grave with the sign of a cross so i may be finally at peace, and warn all those who come here that this is my house and i will never leave." She then floated outside pointing to the spot of where she wanted to be buried. i lifted the rotting corpse and buried her in that exact spot when it struck three the girl disappeared with the last shovel of soil"

This last bit is rushed - think about paragraphing and how you could use setting here to emphasise action and mood.

"is that all miss. grey?" asked the policeman  
"yes sir" i whimpered