

STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE
FOR THE PERIOD ENDED 31 DECEMBER 2018
FOR
THE BANK, BIRMINGHAM

THE BANK
SERVICE CHARGE ACCOUNTS
31 DECEMBER 2018

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THE BANK
ACCOUNTANTS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018

ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF THE BANK

You have stated that an audit of the service charge accounts in accordance with International Standards on Auditing is not required under the terms of the lease for The Bank. In accordance with our engagement Letter dated 16 May 2019, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 2 to 4 in respect of the period ended 31 December 2018 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to the landlord for issue with the service charge accounts 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 for this report.

Basis of report

Our work was carried out having regard to TECH 03/11 Residential Service Charge Accounts published jointly by the professional accountancy bodies with ARMA and RICS. In summary, the procedures we carried out with respect to the service charge accounts were:

1. We obtained the service charge accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of the landlord;
2. We checked, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected; and
3. We checked whether the balance of service charge monies for this property shown on page 2 of the service charge accounts agreed or reconciled to the bank statements for the account in which the funds are held.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, we do not express any assurance on the service charge accounts other than in making the factual statements set out below.

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 Engagements, other matters might have come to our attention that would have been reported to you.

Report of factual findings:

- a) With respect to item 1 we found the figures in the statements 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 the balance of service charge monies shown on page 2 of the service charge accounts agrees or reconciles to the bank statements for the account in which the funds are held.

Crowe UK LLP

Crowe U.K. LLP
Chartered Accountants
Black Country House
Rounds Green Road
West Midlands
B69 2DG

Date: *2-7-19*

THE BANK
INCOME AND EXPENDITURE
FOR THE PERIOD ENDED 31 DECEMBER 2018

	2018 £
Income relating to the period	
Service charges	102,949
Landlord contributions	10,000
Gross interest	39
Total income receivable	112,988
Expenditure relating to the period	
Garden maintenance	2,828
Household & cleaning	13,601
Repairs & maintenance	27,129
IT support	6,554
Insurance	17,666
Management fees	11,500
Accountancy fees	2,500
Caretaker	31,476
Sinking Fund	3,500
Health and safety	8,146
Total expenditure	124,900
Excess (deficit) funds	(11,912)
Amounts due to tenants	9,656
Amounts due from landlord	(21,568)
	(11,912)

THE BANK
BALANCE SHEET
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Notes	2018 £
Assets		
Cash at bank	2	41,301
Prepayments		17,670
Trade debtors		7,978
Amounts due from landlord		21,568
		<u>88,517</u>
Liabilities		
Trade creditors		22,626
Accruals		2,500
Service charge in advance		31,405
Tenants overpayments		18,830
Amount owed to tenants		9,656
		<u>85,017</u>
Net assets		<u><u>3,500</u></u>
Reserves:		
General reserves	3	3,500
Balance as at 31 December 2018		<u><u>3,500</u></u>

The statement of account was approved by Nicola Fagan for the managing agent on 11/2/19 and signed on behalf of the managing agent by


 Nicola Fagan

THE BANK

NOTES TO THE STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE
FOR THE PERIOD ENDED 31 DECEMBER 2018

1. **Accounting policies**

The accounts are prepared in accordance with the lease and on the accruals basis

2. **Bank account**

Service charge money was held in trust at Barclays Bank under the title Birmingham Resi designated client account.

3. **Reserve funds**

The general reserve has been established to meet the cost of large, non-regular repair and maintenance work.

4. **Managing agent annual declaration**

The following fees have been levied by the managing agent in relation to the period ended 31 December 2018.

	£
Professional fees	
Agents fees	<u>11,500</u>