

STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE

FOR THE PERIOD ENDED 31 DECEMBER 2019

FOR

THE BANK, BIRMINGHAM

THE BANK
SERVICE CHARGE ACCOUNTS
31 DECEMBER 2019

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THE BANK
ACCOUNTANTS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019

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 2019 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 U.K. LLP

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

Date: 29-04-2020.....

THE BANK
INCOME AND EXPENDITURE
FOR THE PERIOD ENDED 31 DECEMBER 2019

	2019 £	2018 £
Income relating to the period		
Service charges	268,200	102,949
Landlord contributions	-	10,000
Gross interest	143	39
Total income receivable	<u>268,343</u>	<u>112,988</u>
Expenditure relating to the period		
Cleaning	11,981	6,101
Window cleaning	11,250	7,500
IT Support	7,612	6,554
Electricity	45,000	-
Water	5,500	-
Lift	4,662	4,499
Landscaping	3,008	2,828
Floral displays	5,886	-
M&E Repairs & Maintenance	24,970	14,824
Common area repairs	1,256	3,139
Management fee	23,000	11,500
Accountancy fee	5,000	2,500
Insurance	34,738	17,666
Pest control	432	-
Water treatment	2,322	759
Health and safety	1,650	8,146
Security	2,127	3,908
Caretaker	48,551	31,476
Sinking fund	10,000	3,500
Total expenditure	<u>248,945</u>	<u>124,900</u>
Excess (deficit) funds	<u>19,398</u>	<u>(11,912)</u>
Amounts due to tenants	32,419	9,656
Amounts due from landlord	<u>(13,021)</u>	<u>(21,568)</u>
	<u>19,398</u>	<u>(11,912)</u>

THE BANK
BALANCE SHEET
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Assets			
Cash at bank	2	54,295	41,301
Prepayments		18,188	17,670
Trade debtors		41,665	7,978
Amounts due from landlord		13,021	21,568
		<u>127,169</u>	<u>88,517</u>
Liabilities			
Trade creditors		26,206	41,456
Accruals		55,000	2,500
Service charge in advance		-	31,405
Amounts owed to tenants		32,463	9,656
		<u>113,669</u>	<u>85,017</u>
Net assets		<u>13,500</u>	<u>3,500</u>
Reserves:			
General reserves	3	13,500	3,500
Balance as at 31 December 2019		<u>13,500</u>	<u>3,500</u>

The statement of account was approved by Nicola Fagan for the managing agent on 29/04/2020 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 2019

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 2019.

Professional fees

Agents fees

£

1,650