

STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
KINGSCOURT, BIRMINGHAM

KINGSCOURT, BIRMINGHAM
SERVICE CHARGE ACCOUNTS
31 DECEMBER 2018

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KINGSCOURT, BIRMINGHAM
ACCOUNTANTS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF KINGSCOURT, BIRMINGHAM

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 Kingscourt, Birmingham. 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 year 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 Greeri Road
West Midlands
B69 2DG

Date:

20th August 2019

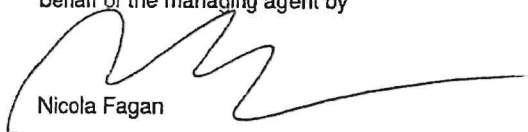
KINGSCOURT, BIRMINGHAM
INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Income relating to the period		
Service charge income	133,046	126,710
Gross interest	111	12
Total income receivable	<u>133,157</u>	<u>126,722</u>
Expenditure relating to the period		
Maintenance and services:		
Cleaning	6,778	7,083
Window cleaning	1,280	1,280
IT Support	234	-
Fire alarm equipment	-	1,065
External repairs and maintenance	34,811	51,720
Internal repairs and maintenance	1,519	4,341
M&E repairs and maintenance	12,758	18,435
Landscaping	7,008	4,951
Pest control	688	1,434
Utilities:		
Electricity	7,172	7,592
Water	12,064	11,985
Administration:		
Insurance	13,446	10,409
Professional fees	5,123	2,100
Management fees	15,960	15,000
Accountancy fees	2,330	2,226
Management company expenses	194	191
Sinking fund	11,792	(13,090)
Total expenditure	<u>133,157</u>	<u>126,722</u>
Amount due to/(from) lessees	<u>-</u>	<u>-</u>

KINGSCOURT, BIRMINGHAM
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Assets			
Due from tenants		21,038	19,281
Cash at bank	2	51,213	46,602
Prepayments		14,419	11,900
Other debtors		5,399	4,411
		<u>92,069</u>	<u>82,194</u>
Liabilities			
Trade creditors		997	21,156
Accruals		21,580	7,814
Service charge received in advance		-	2,653
Service charge demanded in advance		35,733	28,605
		<u>58,310</u>	<u>60,228</u>
Net assets		<u>33,759</u>	<u>21,966</u>
Reserves:			
General reserves	3	33,759	21,966
Balance as at 31 December 2018		<u>33,759</u>	<u>21,966</u>

The statement of account was approved by Nicola Fagan for the managing agent on ... *26/12/18* ... and signed on behalf of the managing agent by


Nicola Fagan

KINGSCOURT, BIRMINGHAM

**NOTES TO THE STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE
FOR THE YEAR 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 Kingscourt 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 year ended 31 December 2018.

	£
Professional fees	
Agents fees	<u>15,960</u>