
KINGS COURT (BIRMINGHAM) MANAGEMENT COMPANY LIMITED

KINGS COURT

SERVICE CHARGE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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SERVICE CHARGE ACCOUNTS
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ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF KINGS COURT

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 Kings Court, Birmingham. In accordance with our engagement letter, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 2 to 5 in respect of Kings Court, Birmingham for the year ended 31 December 2015 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 or for this report.

Basis of report

Our work was carried out having regard to *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 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 4 of the service charge accounts agreed or reconciled to the bank statements for the accounts in which the funds are held.

Because the above procedures do not constitute either an audit or a review 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 in our report of factual findings.

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.

**ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF
KINGS COURT**

Report of factual findings:

- (a) With respect to item 1 we found the figures in the statement 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 4 of the service charge accounts agrees or reconciles to the bank statements for the accounts in which the funds are held.

PKF Cooper Parry Group Limited

PKF COOPER PARRY GROUP LIMITED
Chartered Accountants
No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

16 August 2016

KINGS COURT (BIRMINGHAM) MANAGEMENT COMPANY LIMITED
KINGS COURT
SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Actual 2015 £	Budget 2015 £	Actual 2014 £
Income				
Service charges		120,635.95	120,635.00	120,635.95
Interest received		14.12	-	9.53
Total income receivable		120,650.07	120,635.00	120,645.48
Expenditure				
Maintenance and services				
Cleaning		6,436.37	4,120.00	6,083.90
Window cleaning		2,990.40	2,565.00	2,563.20
Grounds maintenance		6,276.00	4,440.00	6,242.00
Repairs and maintenance	4	21,021.13	16,435.00	56,203.61
Fire alarm equipment		4,664.65	2,000.00	5,203.76
Pest control		690.00	-	1,092.00
Utilities				
Electricity		8,002.51	9,000.00	7,957.86
Water		14,690.71	13,750.00	13,141.12
Administration				
Insurance		12,074.12	11,000.00	11,032.79
Health and safety		-	-	1,152.00
Management company expenses		184.44	560.00	184.44
Management fees		15,480.00	15,330.00	15,000.00
Legal fees		-	500.00	-
Professional fees	5	5,513.00	500.00	3,250.00
Accountancy fee		2,100.00	2,075.00	2,100.00
Allocation to / (Withdrawal from) long term maintenance fund	3(a)	20,526.74	38,360.00	(10,561.20)
Total expenditure		120,650.07	120,635.00	120,645.48
Surplus for the year		-	-	-

KINGS COURT (BIRMINGHAM) MANAGEMENT COMPANY LIMITED
KINGS COURT
BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Assets			
Due from lessees:			
Arrears of service charge		13,914.12	13,970.22
Other debtors		4,951.43	6,120.71
Prepayments		1,338.71	17,177.39
Service charge bank accounts	2	34,038.79	23,628.27
		54,243.05	60,896.59
Liabilities			
Due to lessees:			
Service charges received in advance		1,084.77	463.87
Service charges demanded in advance		27,070.79	41,492.85
Trade creditors		(1,842.35)	12,698.16
Accruals		7,403.10	6,241.71
		33,716.31	60,896.59
Net Assets		20,526.74	-
Reserve Funds			
Long term maintenance fund	3(a)	20,526.74	-
Balance at 31 December 2015		20,526.74	-

KINGS COURT (BIRMINGHAM) MANAGEMENT COMPANY LIMITED
KINGS COURT
NOTES TO THE SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

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

2 Bank account

Service charge money was held in trust at Bank of Scotland, 7th Floor, Bishopsgate Exchange, 155 Bishopsgate, London, EC2M 3YB under the title Client Account.

3 Reserve funds

The long term maintenance fund has been established to meet the cost of large, non-regular repair and maintenance work. The present level of the fund may prove insufficient, given the uncertainty as to when further such costs may arise.

Any shortfall in these funds resulting from the expenditure incurred will be charged to the Income and Expenditure account in that year.

	2015	2014
	£	£
3(a) Long term maintenance fund		
Balance brought forward	-	10,561.20
Allocation / (Withdrawal) for the year	20,526.74	(10,561.20)
	<u>20,526.74</u>	<u>-</u>

4 Analysis of repairs and maintenance

	£
Roof and window repairs and scaffolding hire	10,686.18
Lighting and electrical repairs	3,097.24
Door entry system repairs and maintenance	2,849.04
Redecoration repairs and reimbursements	1,404.12
Remove refuse from site	906.79
Insurance claim	602.36
Key cutting	413.40
Pump repairs and maintenance	348.00
Gate repairs	318.00
Area building manager charges	300.00
Leak repairs	96.00
	<u>21,021.13</u>

5 Analysis of professional fees

	£
Professional fees	2,175.00
Professional fees re internal corridor refurbishment	1,200.00
Asbestos survey	1,188.00
Fire consultancy inspection	500.00
Roof survey	450.00
	<u>5,513.00</u>