

STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE

FOR THE YEAR ENDED 31 OCTOBER 2020

FOR

SHERBOURNE HOUSE MANAGEMENT LIMITED

SHERBOURNE HOUSE MANAGEMENT LIMITED

**SERVICE CHARGE ACCOUNTS
31 OCTOBER 2020**

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SHERBOURNE HOUSE MANAGEMENT LIMITED

**ACCOUNTANTS' REPORT
31 OCTOBER 2020**

ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF SHERBOURNE HOUSE MANAGEMENT LIMITED

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 Sherbourne House Management Limited. 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 October 2020 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: 25 May 2021

SHERBOURNE HOUSE MANAGEMENT LIMITED

**INCOME AND EXPENDITURE
31 OCTOBER 2020**

	2020 £	2019 £
Repairs and maintenance		
General	2,111	2,976
Window cleaning	84	189
Grounds maintenance	1,980	2,076
Utilities		
Electricity	392	507
Water	336	223
Professional fees		
Accountancy fees	426	372
Management fees	1,694	1,501
Health and safety	1,058	874
Insurance		
General insurance	856	1,130
Reserve account		
Transfer to reserve fund for major expenditure	711	-
Total expenditure	<u>9,648</u>	<u>9,848</u>
Less: Service charges receivable from tenants	9,645	9,645
Less: Bank interest received	3	34
Deficit at the end of the period	<u>-</u>	<u>(169)</u>

SHERBOURNE HOUSE MANAGEMENT LIMITED

**BALANCE SHEET
31 OCTOBER 2020**

	Notes	2020 £	2019 £
Assets			
Service charges owed by tenants		58	1,290
Amounts paid in this period relating to a subsequent period		497	480
Cash at bank		2,202	1,663
		<u>2,757</u>	<u>3,433</u>
Liabilities			
Trade creditors		130	609
Expenses relating to this period but not yet paid		203	1,116
Service charges paid in advance by tenants		1,713	1,708
		<u>2,046</u>	<u>3,433</u>
Net assets		<u>711</u>	<u>-</u>
Reserves:			
Reserve fund for major expenditure	3	711	-
General fund	3	-	-
Balance as at 31 October 2020		<u>711</u>	<u>-</u>

The statement of account was approved by Nicola Fagan for the managing agent on 25/5/21 and signed on behalf of the managing agent by

.....
Nicola Fagan

SHERBOURNE HOUSE MANAGEMENT LIMITED

**NOTES TO THE STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE
31 OCTOBER 2020**

1. Accounting policies

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

Bank account

Service charge money was held in trust at Barclays Bank under the title Sherbourne House Management Limited designated client account.

3. Reserve Funds

	2020	2019
Reserve fund for major expenditure		
Balance at 1 November 2019	-	-
Transfer from service charge accounts	711	-
Transfer to service charge accounts	-	-
Balance at 31 October 2020	<u>711</u>	<u>-</u>
General reserve fund		
Balance at 1 November 2019	-	-
Transfer from service charge accounts	-	-
Transfer to service charge accounts	-	-
Balance at 31 October 2020	<u>-</u>	<u>-</u>

4. Management agent annual declaration

The income of the managing agent in addition to the management fee during the year included the following:

Accounts preparation fees
Bank administration fee
Combined risk assessment fee
Confirmation statement fee
Insurance administration fee
LTMP review