

**STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE**

**FOR THE YEAR ENDED 31 OCTOBER 2021**

**FOR**

**SHERBOURNE HOUSE MANAGEMENT LIMITED**

SHERBOURNE HOUSE MANAGEMENT LIMITED

SERVICE CHARGE ACCOUNTS  
31 OCTOBER 2021

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SHERBOURNE HOUSE MANAGEMENT LIMITED

ACCOUNTANTS' REPORT  
31 OCTOBER 2021

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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 2021 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: ...28 June 2022.....

SHERBOURNE HOUSE MANAGEMENT LIMITED

INCOME AND EXPENDITURE  
31 OCTOBER 2021

	2021 £	2020 £
<b>Repairs and maintenance</b>		
Internal Maintenance	236	2,111
Window cleaning	84	84
<b>Grounds maintenance</b>	2,160	1,980
<b>Utilities</b>		
Electricity	694	392
Water	303	336
<b>Professional fees</b>		
Accountancy fees	1,008	426
Management fees	1,557	1,694
Health and safety	1,033	1,058
<b>Insurance</b>		
Insurance	678	856
<b>Reserve account</b>		
Transfer to reserve fund for major expenditure	1,500	711
Total expenditure	<u>9,253</u>	<u>9,648</u>
Less: Service charges receivable from tenants	10,275	9,645
Less: Bank interest received	-	3
Surplus at the end of the period	<u>1,022</u>	<u>-</u>

SHERBOURNE HOUSE MANAGEMENT LIMITED

BALANCE SHEET  
31 OCTOBER 2021

	Notes	2021 £	2020 £
<b>Assets</b>			
Service charges owed by tenants		1	58
Amounts paid in this period relating to a subsequent period		539	497
Cash at bank		6,893	2,202
		<u>7,433</u>	<u>2,757</u>
<b>Liabilities</b>			
Trade creditors		348	130
Expenses relating to this period but not yet paid		427	203
Service charges paid in advance by tenants		3,425	1,713
Amounts due to tenants		1,022	-
		<u>5,222</u>	<u>2,046</u>
<b>Net assets</b>		<u>2,211</u>	<u>711</u>
<b>Reserves:</b>			
Reserve fund for major expenditure	3	2,211	711
General fund	3	-	-
Balance as at 31 October 2021		<u>2,211</u>	<u>711</u>

The statement of account was approved by Nicola Fagan for the managing agent on 29/10/21 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 2021

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**

	2021	2020
<b>Reserve fund for major expenditure</b>		
Balance at 1 November 2020	711	-
Transfer from service charge accounts	1,500	711
Transfer to service charge accounts	-	-
Balance at 31 October 2021	<u>2,211</u>	<u>711</u>
<b>General reserve fund</b>		
Balance at 1 November 2020	-	-
Transfer from service charge accounts	-	-
Transfer to service charge accounts	-	-
Balance at 31 October 2021	<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