

STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2021
FOR
KINGS & QUEENS COURT, BIRMINGHAM

KINGS & QUEENS COURT, BIRMINGHAM

**SERVICE CHARGE ACCOUNTS
31 MARCH 2021**

CONTENTS PAGE

	PAGE NUMBER
ACCOUNTANTS REPORT	1
INCOME AND EXPENDITURE	2
BALANCE SHEET	3
NOTES	4 - 5

KINGS & QUEENS COURT, BIRMINGHAM

**ACCOUNTANTS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF KINGS & QUEENS COURT, 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 Kings & Queens Court, 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 March 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:22 September 2021.....

KINGS & QUEENS COURT, BIRMINGHAM

INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2021


	Notes	2021 £	2020 £
Income relating to the period			
Service charge income		64,169	67,659
Gross interest		563	110
Total income receivable		<u>64,732</u>	<u>67,769</u>
Expenditure relating to the period			
Repairs and maintenance:			
General repairs and maintenance		5,628	17,627
Lift repairs and maintenance contract		522	1,063
Cleaning		2,775	2,755
Window cleaning		2,000	1,925
Grounds maintenance		5,614	9,354
Gate maintenance		2,065	1,955
Fire alarm and emergency lighting service maintenance		1,683	2,159
Utilities:			
Electricity		5,359	5,856
Telephone		-	1,332
Professional fees:			
Accountancy fees		908	1,400
Legal and professional fees		4,096	816
Management fees	4	10,044	10,044
Insurance		5,871	6,045
General expenses:			
Sundry expenses		-	-
Pest control		1,067	812
Bank charges		-	-
Transfer to general reserve		17,100	4,626
Total expenditure		<u>64,732</u>	<u>67,769</u>
Amount due to/(from) lessees		<u>-</u>	<u>-</u>

KINGS & QUEENS COURT, BIRMINGHAM

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Assets			
Due from tenants		4,569	8,742
Cash at bank	2	165,604	143,876
Prepayments and other debtors		6,506	10,235
		<u>176,679</u>	<u>162,853</u>
Liabilities			
Trade creditors		4,221	7,911
Accruals and other creditors		16,393	10,563
		<u>20,614</u>	<u>18,474</u>
Net assets		<u>156,065</u>	<u>144,379</u>
Reserves:			
General reserves	3(a)	53,479	36,379
Lift reserve	3(b)	19,586	25,000
Windows reserve	3(c)	77,000	77,000
Landscaping reserve	3(d)	6,000	6,000
Balance as at 31 March 2021		<u>156,065</u>	<u>144,379</u>

The statement of account was approved by Nicola Fagan for the managing agent on 21/9/21 and signed on behalf of the managing agent by


Nicola Fagan

KINGS & QUEENS COURT, BIRMINGHAM

**NOTES TO THE STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2021**

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, Leicester, LE87 2BB under the title KWB K & Q Free Ltd, account numbers, 43557472, 23541436.

3. Reserve funds

The general reserve has been established to meet the cost of large, non-regular repair and maintenance work.

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

3(a) General reserve	2021	2020
	£	£
Balance B/Fwd	36,379	31,753
Reserve provision	17,100	4,626
Balance C/Fwd	<u>53,479</u>	<u>36,379</u>
3(b) Lift reserve	2021	2020
	£	£
Balance B/Fwd	25,000	25,000
Lift maintenance	(5,414)	-
Balance C/Fwd	<u>19,586</u>	<u>25,000</u>
3(c) Windows reserve	2021	2020
	£	£
Balance B/Fwd	77,000	77,000
Reimbursements to leaseholders	-	-
Balance C/Fwd	<u>77,000</u>	<u>77,000</u>
3(d) Landscaping reserve	2021	2020
	£	£
Balance B/Fwd	6,000	6,000
Reserve provision	-	-
Balance C/Fwd	<u>6,000</u>	<u>6,000</u>

KINGS & QUEENS COURT, BIRMINGHAM

NOTES TO THE STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2021

4. **Managing agent annual declaration**

The following fees have been levied by the managing agent in relation to the year ended 31 March 2021.

	£
Professional fees	
Agents fees	<u>10,044</u>