

**STATEMENT OF SERVICE CHARGE INCOME & EXPENDITURE**  
**FOR THE YEAR ENDED 31 MARCH 2020**  
**FOR**  
**KINGS & QUEENS COURT, BIRMINGHAM**

**KINGS & QUEENS COURT, BIRMINGHAM**

**SERVICE CHARGE ACCOUNTS  
31 MARCH 2020**

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**KINGS & QUEENS COURT, BIRMINGHAM**

**ACCOUNTANTS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

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**ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF KINGSC & 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 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: 30 November 2020 .....

KINGS & QUEENS COURT, BIRMINGHAM

INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
<b>Income relating to the period</b>		
Service charge income	67,659	70,535
Other income	-	255
Sale of gate key fobs	-	160
Gross interest	110	225
Total income receivable	<u>67,769</u>	<u>71,175</u>
<b>Expenditure relating to the period</b>		
<b>Repairs and maintenance:</b>		
General repairs and maintenance	17,627	2,582
Emergency out of hours cover	-	302
Lift repairs and maintenance contract	1,063	4,264
Cleaning	2,755	4,094
Window cleaning	1,925	2,310
Grounds maintenance	9,354	5,429
Gate maintenance	1,955	3,566
Drains maintenance	-	366
Fire alarm and emergency lighting service maintenance	2,159	5,679
Television aerial maintenance	-	78
<b>Utilities:</b>		
Electricity	5,856	4,849
Telephone	1,332	495
<b>Professional fees:</b>		
Accountancy fees	1,400	1,560
Legal and professional fees	816	2,200
Health and safety risk inspections	-	660
Management fees	10,044	7,800
Insurance	6,045	6,219
<b>General expenses:</b>		
Sundry expenses	-	428
Pest control	812	1,944
Bank charges	-	12
Transfer to general reserve	4,626	16,338
Total expenditure	<u>67,769</u>	<u>71,175</u>
Amount due to/(from) lessees	<u>-</u>	<u>-</u>

KINGS & QUEENS COURT, BIRMINGHAM

BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
<b>Assets</b>			
Due from tenants		8,742	25,589
Cash at bank	2	143,876	155,539
Prepayments and other debtors		10,235	4,240
		<u>162,853</u>	<u>185,368</u>
<b>Liabilities</b>			
Trade creditors		7,911	-
Accruals and other creditors		10,563	45,615
		<u>18,474</u>	<u>45,615</u>
<b>Net assets</b>		<u>144,379</u>	<u>139,753</u>
<b>Reserves:</b>			
General reserves	3(a)	36,379	31,753
Lift reserve	3(b)	25,000	25,000
Windows reserve	3(c)	77,000	77,000
Landscaping reserve	3(d)	6,000	6,000
Balance as at 31 March 2020		<u>144,379</u>	<u>139,753</u>

The statement of account was approved by Nicola Fagan for the managing agent on 1st October 2020 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 2020**

**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.

<b>3(a) General reserve</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance B/Fwd	31,753	15,415
Reserve provision	4,626	16,338
Balance C/Fwd	<u>36,379</u>	<u>31,753</u>
<b>3(b) Lift reserve</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance B/Fwd	25,000	25,000
Reserve provision	-	-
Balance C/Fwd	<u>25,000</u>	<u>25,000</u>
<b>3(c) Windows reserve</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance B/Fwd	77,000	114,000
Reimbursements to leaseholders	-	(37,000)
Balance C/Fwd	<u>77,000</u>	<u>77,000</u>
<b>3(d) Landscaping reserve</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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 2020**

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**4. Managing agent annual declaration**

The following fees have been levied by the managing agent in relation to the year ended 31 March 2020.

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