

**MITRE HOUSE**

**SERVICE CHARGE STATEMENT OF ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# MITRE HOUSE

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**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**

**MITRE HOUSE**

**LETTER OF REPRESENTATION FROM MANAGING AGENT TO ACCOUNTANT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

We have determined 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 Mitre House.

We have been appointed to act on behalf of the residents and are responsible for preparing service charge information as set out in the accounts of Mitre House for the year ended 31 December 2020.

We are responsible for ensuring that the financial management of the service charges is sound and that there is an effective system of internal control which facilitates the proper use of the service charges and which includes arrangements for good management of the building and all communal grounds for which we have responsibility in accordance with the terms of the lease.

No leaseholder has made a request for a written summary of relevant costs in relation to the service charges payable or demanded as payable in the year in accordance with Section 21 of the Landlord and Tenant Act 1985.

We confirm that all relevant costs included as expenditure in the service charge information, including any payments to reserve funds, is a proper charge to the property and is in accordance with the underlying leases. Where necessary we have complied with the provisions of section 20 of the Landlord and Tenant Act 1985 in relation to long-term expenditure and major works as defined by the legislation.

Where necessary, the allocation of relevant expenditure across the various service charge sectors including that relating to the above property is in accordance with the lease.

All the accounting records have been made available to you for the purpose of your engagement and all the transactions relating to service charges have been properly reflected and recorded in the accounting records. Any significant matters of which we consider you ought be aware have been brought to your attention.

The charge to the reserve fund is in accordance with the provisions of the leases and the amounts have been accurately reflected in the reserve fund (where applicable) included as part of the service charge statement of relevant costs.

All service charge monies are held separately in trust in accordance with section 42 of the Landlord and Tenant Act 1987 in designated accounts with Natwest bank and the balances reconciled to the fund balances shown in the statement of account.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can make the above representations to you.

*Matthew Wheeler*

.....  
Strangford Management - managing agents

Date: *30/03/2021*

**MANAGING AGENTS' DECLARATION**

We approve the attached summary of costs.

*Naim Islam*

.....  
Strangford Management - managing agents

Date: *30/03/2021*

**MITRE HOUSE****INDEPENDENT ACCOUNTANTS REPORT****FOR THE YEAR ENDED 31 DECEMBER 2020**

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 Mitre House. 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 3 to 6 in respect of Mitre House for the year ended 31 December 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 or 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 Mitre House shown in 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 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 statement 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 in the service charge accounts agrees or reconciles to the bank statement for the accounts in which the funds are held.

*Simpson Wreford & Partners*

.....  
 Simpson Wreford & Partners  
 Chartered Accountants and Registered Auditors  
 Suffolk House  
 George Street  
 Croydon CR0 0YN

Date 30/03/2021

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**MITRE HOUSE**  
**INCOME AND EXPENDITURE ACCOUNT - FLATS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 Actual £	2020 Budget £	2019 Actual £
<b>Income relating to the year</b>			
Service charge demanded on account	26,654	26,654	34,992
Reserve charge demanded on account	55,000	55,000	55,000
Bank interest	110	-	130
<b>Total income</b>	<u>81,764</u>	<u>81,654</u>	<u>90,122</u>
<b>Expenditure relating to the year</b>			
<b>Repairs and maintenance</b>			
General repairs	2,992	3,500	1,111
Cleaning	2,239	2,330	3,365
Window cleaning	-	280	-
TV equipment maintenance	-	450	-
Pest control	-	300	-
Entry system	269	270	-
Lift maintenance contract	1,689	2,430	1,470
Lift phone	567	274	546
Lift health and safety	-	3,350	-
Fire alarm maintenance	306	250	-
Asbestos survey	-	500	-
<b>Utilities</b>			
Electricity	2,982	700	715
<b>Professional fees</b>			
Fixed management fees	6,000	6,000	6,478
Independent accountants' fee	1,050	720	750
Health and safety report	-	350	345
Water hygiene	1,728	1,200	-
Professional fees	150	1,000	117
<b>Insurance</b>			
Buildings insurance	2,412	2,300	4,405
Lift insurance	502	300	-
D&O insurance	141	150	-
<b>Other expenditure</b>			
Sundry	-	-	17
<b>Total expenditure</b>	<u>23,027</u>	<u>26,654</u>	<u>19,319</u>
<b>Surplus for the year</b>	58,737	55,000	70,803
<b>Transfers (to)/from reserves</b>	<u>(55,000)</u>	<u>(55,000)</u>	<u>(55,000)</u>
	3,737	-	15,803
<b>Deficit\ (surplus) owed from\ (to) lessees</b>	(3,737)	-	(15,803)
<b>Balance brought forward</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance carried forward</b>	<u>-</u>	<u>-</u>	<u>-</u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**MITRE HOUSE**  
**RESERVE FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Flats</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Balance brought forward</b>	114,445	114,445
<b>Income</b>		
Budgeted transfer from I&E account	55,000	55,000
Bank interest	145	145
<b>Expenditure in year</b>		
Reserve expenditure	(4,890)	(4,890)
	<hr/>	<hr/>
<b>Balance carried forward</b>	<u>164,700</u>	<u>164,700</u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**MITRE HOUSE**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>ASSETS</b>			
Service charges owed by tenants		3,688	9,989
Prepayments		2,676	1,723
Other debtors		8,769	840
Cash at bank	3	<u>174,722</u>	<u>135,578</u>
		<u>189,855</u>	<u>148,130</u>
<b>LIABILITIES</b>			
Service charges in advance		3,508	-
Surplus to be credited		3,737	15,803
Other creditors		13,933	12,399
Trade creditors and accruals		<u>3,977</u>	<u>5,483</u>
		<u>25,155</u>	<u>33,685</u>
<b>NET ASSETS</b>		<u><u>164,700</u></u>	<u><u>114,445</u></u>
<b>REPRESENTED BY:-</b>			
<b>Reserve fund</b>			
General reserve		<u>164,700</u>	<u>114,445</u>
		<u><u>164,700</u></u>	<u><u>114,445</u></u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR****MITRE HOUSE****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2020****1. Accounting policies**

The statement of account has been prepared in accordance with the provisions of the lease and on the accruals and prepayments basis, under the historical cost convention and (except where it is disclosed otherwise) according to generally accepted accounting practice in the United Kingdom.

**2. Tenants rights and obligations**

A summary of tenants (leaseholders) rights and obligations must by law accompany a demand for service charges, and is available from the managing agents.

**3. Cash at bank**

Please note that service charge funds are held in trust with National Westminster Bank Plc, sort code 60-24-77, with all interest earned payable to this fund, held in accordance with the ARMA Q Consumer Charter & Standards. The name and account number of each bank account is as below:

Mitre House Client Account	Account number : 28413024
Mitre House Reserve	Account number : 28414098

**4. Transactions with directors of Mitre House**

There were no transactions in the year.

**5. Fees and transactions with related companies**

There were no transactions with company's related to Strangford Management Limited in the year.