

**MITRE HOUSE  
SERVICE CHARGE ACCOUNTS  
FOR THE YEAR ENDING 31 DECEMBER 2023**



**LETTER OF REPRESENTATION FROM MANAGING AGENT TO ACCOUNTANT FOR  
MITRE HOUSE**

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 are responsible for preparing the service charge statement of account for the year ended 31st December 2023 set out in these accounts. 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 period 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 payments to reserve funds, is a proper charge to the property and is in accordance with the underlying lease. 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.

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 to be aware have been brought to your attention.

The charge to reserve fund is in accordance with the provisions of the lease and the amounts have been accurately reflected in the reserve fund.

All service charge monies are held separately money in trust in accordance with section 42 of the Landlord and Tenant Act 1987 in designated accounts and the balances reconciled to the fund balance 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.

*B-hive property solutions*

**B-HIVE PROPERTY SOLUTIONS ON BEHALF OF SAMAS - MANAGING AGENTS**

Date: 28/06/2024

## **ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE MANAGING AGENTS OF MITRE HOUSE**

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 4 to 6 in respect of Mitre House for the year ended 31 December 2023 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to the managing agent 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 managing agent and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the managing agent 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:

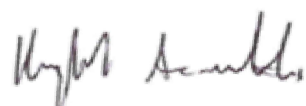
1. We obtained the service charge accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of the landlord;
2. We checked whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected; and
3. We checked whether the balance of service charge monies for this property shown on page 5 of the service charge accounts agreed or reconciled to the bank statement(s) for the account(s) 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 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 5 of the service charge accounts agrees or reconciles to the bank statement for the account(s) in which the funds are held.



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**Knight Accountants**  
2-6 Sedlescombe Road North  
St. Leonards On Sea  
East Sussex  
TN37 7DG

Date: 12 February 2024

**MITRE HOUSE**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDING 31 DECEMBER 2023**

	<i>Budget</i>	<b>31.12.23</b>	<b>31.12.22</b>
	<i>£</i>	<i>£</i>	<i>£</i>
<b>Income Receivable</b>			
Service Charges	29,148	<b>29,148</b>	27,834
Interest Received	0	<b>192</b>	76
Total Income Receivable	<u>29,148</u>	<u><b>29,340</b></u>	<u>27,910</u>
<b>Expenditure</b>			
Accountancy Fees	720	<b>480</b>	865
Accountancy Preparation	120	<b>120</b>	0
Asbestos Survey	276	<b>0</b>	0
Bank Charges	0	<b>19</b>	21
Buildings Insurance	4,600	<b>4,187</b>	4,716
CCTV - Rental/Supply	0	<b>502</b>	0
Cleaning - General	3,700	<b>4,512</b>	3,590
Health & Safety Risk Assessment	400	<b>0</b>	0
Company Secretarial	360	<b>527</b>	492
D&O Insurance	280	<b>0</b>	270
Drains, Gutters & Pipes	250	<b>6,902</b>	0
Electricity	1,250	<b>1,250</b>	1,000
Door Entry System - Maintenance	300	<b>320</b>	287
Fire Alarm Maintenance	320	<b>446</b>	504
General Repairs & Maintenance	5,000	<b>4,335</b>	-115
Lift Insurance	400	<b>337</b>	410
Lift Maintenance	1,080	<b>1,118</b>	1,296
Lift Repairs	1,350	<b>0</b>	0
Lift Telephone	300	<b>640</b>	324
Locks & Keys	0	<b>0</b>	-40
Management Fees	6,118	<b>6,118</b>	5,940
Out of Hours	216	<b>216</b>	108
Portal Costs	108	<b>54</b>	0
Postage/Couriers	0	<b>36</b>	26
Professional Fees	1,000	<b>0</b>	0
Refuse Collection	0	<b>174</b>	0
Water Hygiene	1,000	<b>1,609</b>	1,296
Total Expenditure	<u>29,148</u>	<u><b>33,901</b></u>	<u>20,991</u>
Surplus/(Deficit)	<u>0</u>	<u><b>-4,561</b></u>	<u>6,919</u>

**MITRE HOUSE**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2023**

		31.12.23	31.12.22
	Notes	£	£
<b>Assets</b>			
Debtors	2	7,526	17,911
Cash at Bank and in Hand	3	<u>106,152</u>	<u>267,531</u>
		113,677	285,442
<b>Liabilities</b>	4	<u>8,269</u>	<u>52,591</u>
		8,269	52,591
<b>Net Assets</b>		<u>105,408</u>	<u>232,851</u>
<b>Reserves</b>			
Income & Expenditure Account	5	0	0
Reserve Fund	6	105,408	232,851
		<u>105,408</u>	<u>232,851</u>

**MITRE HOUSE**  
**NOTES TO THE SERVICE CHARGE ACCOUNTS**  
**FOR THE YEAR ENDING 31 DECEMBER 2023**

**1 Accounting Policies**

The accounts are prepared on an accrual basis in accordance with the provisions of the lease and the accounting records maintained by HML PM Limited, the managing agents of the property, in so far as these records concern the management of the property on behalf of Mitre House. The landlord has relied on representations made and warranties given by HML PM Limited inter alia that proper accounting records and controls have been maintained on behalf of the scheme.

**2 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Service Charge Arrears	0	16,239
Other Debtors	102	102
Freeholder Funding	1,154	0
Prepayments	1,708	1,570
Deficit to be Charged	4,561	0
	<u>7,526</u>	<u>17,911</u>

**3 Bank Account**

Service Charge money was held in trust in accordance with section 42, Landlord and Tenant Act 1987, at Barclays Bank. These funds are held in the following interest bearing bank accounts:

- HML PM Ltd RE Mitre House Service Charge Client Account (33749878)
- HML PM Ltd RE Mitre House Reserve Fund Client Account (73439372)

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Service Charge Client Account	20,275	18,128
Reserve Fund Client Account	85,877	249,403
	<u>106,152</u>	<u>267,531</u>

**4 Creditors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Creditors	598	24,266
Accruals	2,862	2,480
Service Charges in Advance	4,809	0
Other Creditors	0	6,827
Lessee Deposit	0	12,099
Surplus to be Credited to Leaseholders	0	6,919
	<u>8,269</u>	<u>52,591</u>

**5 Income & Expenditure Account**

	<b>£</b>
Balance Brought Forward	0
Income & Expenditure in Year	(4,561)
Deficit to be Charged to Leaseholders	4,561
Balance Carried Forward	<u>0</u>

**6 Reserve Fund**

	<b>£</b>
Balance Brought Forward	232,851
Reserve Fund Income in the Year	40,000
Reserve Fund Expenditure in Year	(169,251)
Reserve Fund Bank Interest/Charges	1,808
Balance Carried Forward	<u>105,408</u>

**7 Transactions with Associated Companies**

In addition to the management fees shown in the income and expenditure account, the following HML Companies provided services have been charged for separately:

- HML PM Ltd
- B-Hive Services
- Faraday Property Management