

MITRE HOUSE

SERVICE CHARGE STATEMENT OF ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019

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 2019.

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.

.....
Strangford Management - managing agents

Date:

MANAGING AGENTS' DECLARATION

We approve the attached summary of costs.

.....
Strangford Management - managing agents

Date:

MITRE HOUSE

INDEPENDENT ACCOUNTANTS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 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
 Chartered Accountants and Registered Auditors
 Suffolk House
 George Street
 Croydon CR0 0YN

Date

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
MITRE HOUSE
INCOME AND EXPENDITURE ACCOUNT - FLATS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 Actual £	2019 Budget £	2018 Actual £
Income relating to the year			
Service charge demanded on account	34,992	34,992	23,862
Reserve charge demanded on account	55,000	55,000	15,000
Bank interest	130	-	21
Total income	<u>90,122</u>	<u>89,992</u>	<u>38,883</u>
Expenditure relating to the year			
Repairs and maintenance			
General repairs	1,111	3,500	2,940
Cleaning	3,365	2,950	3,124
TV equipment maintenance	-	450	608
Drain maintenance	-	150	-
Entry system	-	270	254
Lift maintenance contract	1,470	1,700	1,484
Lift phone	546	300	289
Lift health and safety	-	3,350	-
Fire alarm maintenance	-	6,330	817
Utilities			
Electricity	715	720	627
Professional fees			
Fixed management fees	6,478	7,956	7,800
Independent accountants' fee	750	750	720
Health and safety report	345	920	1,062
Water hygiene	-	1,296	1,296
Professional fees	117	1,000	-
Insurance			
Buildings insurance	4,405	2,550	2,197
Engineering insurance	-	750	714
Other expenditure			
Sundry	17	50	27
Total expenditure	<u>19,319</u>	<u>34,992</u>	<u>23,959</u>
Surplus for the year	70,803	55,000	14,924
Transfers (to)/from reserves	<u>(55,000)</u>	<u>(55,000)</u>	<u>(15,000)</u>
	15,803	-	(76)
(Surplus)\deficit owed (to)\from lessees	(15,803)	-	76
Balance brought forward	<u>-</u>	<u>-</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>-</u>	<u>-</u>

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
MITRE HOUSE
RESERVE FUND
FOR THE YEAR ENDED 31 DECEMBER 2019

	Flats £	Total £
Balance brought forward	65,589	65,589
Income		
Budgeted transfer from I&E account	55,000	55,000
Expenditure in year	(6,144)	(6,144)
	<hr/>	<hr/>
Balance carried forward	<u>114,445</u>	<u>114,445</u>

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
MITRE HOUSE
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £
ASSETS			
Service charges owed by tenants		9,989	-
Prepayments		1,723	3,448
Other debtors		840	840
Deficit to be collected		-	78
Cash at bank	3	<u>135,578</u>	<u>71,452</u>
		<u>148,130</u>	<u>75,818</u>
LIABILITIES			
Service charges in advance		-	7,492
Surplus to be credited		15,803	-
Other creditors		12,399	300
Trade creditors and accruals		<u>5,483</u>	<u>2,437</u>
		<u>33,685</u>	<u>10,229</u>
NET ASSETS		<u><u>114,445</u></u>	<u><u>65,589</u></u>
REPRESENTED BY:-			
Reserve fund			
General reserve		<u>114,445</u>	<u>65,589</u>
		<u><u>114,445</u></u>	<u><u>65,589</u></u>

SERVICE CHARGE STATEMENT OF ACCOUNT FOR**MITRE HOUSE****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2019****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.