

MEMBER COMPANY NUMBER

SERVICE CHARGE ACCOUNT

The Parks (Ilford) Management Co Limited
20 Long Street
London

Ilford

478 High Road
20 King Street
London

Ilford

THE PARKS (ILFORD) MANAGEMENT

**SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNTS
YEAR ENDED 30 JUNE 2020**

Accounts 1-1
& Partners London
& Long Park Road
Wimbledon
London

THE PARKS (ILFORD) MANAGEMENT

**ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF THE PARKS (ILFORD)
MANAGEMENT
YEAR ENDED 30 JUNE 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 The Parks (Ilford) Management. In accordance with our engagement letter dated 24 December 2019, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 5 to 9 in respect of The Parks (Ilford) Management for the year ended 30 June 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 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 7 of 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 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.

THE PARKS (ILFORD) MANAGEMENT

**ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE LANDLORD OF THE PARKS (ILFORD)
MANAGEMENT
YEAR ENDED 30 JUNE 2020**

Continued...

(c) With respect to item 3 we found that the balance of service charge monies shown on page 7 of the service charge accounts agrees or reconciles to the bank statement for the accounts in which the funds are held.

Axis Accountants Limited
Chartered Certified Accountants and Registered Auditors

8 Deer Park Road
Wimbledon
London
SW19 3GY

02/12/2020

	1,000	1,000
	22,877	22,877
10,171	22,877	33,048
2,847	118	3,017
	180	3,197
25,102	20,112	45,214
	102	45,316
(53)		45,263
11,808	8,987	20,795
3,430	8,782	12,212
581	282	863
2,000	2,000	4,000
2,000	4,000	6,000
(1,121)		4,879
		4,879
4,879	4,879	9,758
321	210	531
12,451	12,899	25,350

THE PARKS (ILFORD) MANAGEMENT

**SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30 JUNE 2020**

	2020	2019
	£	£
Income		
Service charge receivable	175,530	129,570
Water receivable	15,899	12,451
Insurance receivable	32,977	33,097
Interest received	55	72
	<u>224,461</u>	<u>175,190</u>
Expenditure		
Schedule A		
Cleaning	4,056	3,490
Garden maintenance	15,547	16,491
Bulk refuse collection	30,085	30,926
Disbursements	2,860	2,861
Electricity	2,345	933
Company expenses	800	920
General repairs and maintenance	334	1,434
Electrical repairs	324	320
Pest control	3,546	2,769
Car park maintenance	1,458	250
Management fees	50,880	26,137
Accountancy fee	3,060	2,750
Prior year expenses adjustment	-	4,952
Jet washing	21,770	-
Health and Safety	996	-
Reserve	1,000	-
Schedule B		
Cleaning	22,636	19,778
Insurance	32,977	33,097
Access control	115	5,847
Aerials	180	-
General repairs and maintenance	20,112	33,783
Electrical repairs	192	-
Keys/Fobs	-	(62)
Fire alarm maintenance	3,987	11,808
Electricity	8,793	3,499
Directors and officers insurance	329	587
Reserve fund costs	5,000	5,000
Roofing reserve	4,000	5,000
Prior year expenses adjustment	-	(7,712)
Schedule C		
Lift maintenance	4,021	4,339
Engineering insurance	510	851
Water	15,899	12,451
Reserve	1,000	-

THE PARKS (ILFORD) MANAGEMENT

**SERVICE CHARGE BALANCE SHEET
30 JUNE 2020**

	Note	2020 £	£	2019 £	£
Current assets				114,945	
Debtors	2	84,315		96,663	
Cash at bank and in hand		93,545			
		<u>177,860</u>		<u>211,608</u>	
Creditors: amounts falling due within one year	4	(100,496)		(117,432)	
Net current assets			77,364		94,176
Total assets less current liabilities			<u>77,364</u>		<u>94,176</u>
Net assets			<u>77,364</u>		<u>94,176</u>
Reserves			77,364		94,176
Reserve fund			<u>77,364</u>		<u>94,176</u>

This statement of account was approved by JPW Real Estate on 2 December 2020 and signed by on behalf of JPW Real Estate.

Rami Sabota

Name:

THE PARKS (ILFORD) MANAGEMENT

**NOTES TO THE SERVICE CHARGE ACCOUNTS
YEAR ENDED 30 JUNE 2020**

1. Accounting policies

Basis of preparation

The accounts are prepared in accordance with the provision of lease and on the accrual basis.

Taxation

Service charge monies are held on trust in accordance with Section 42, Landlord and Tenant Act 1987. Interest earned on service charge monies held on deposit is taxable at the basic rate of income tax. The rate of tax applied to interest received during the year was 19% (2019: 19%).

2. Debtors

	2020	2019
	£	£
Service charges owed	33,871	31,548
Water charges receivable	-	30,613
Service charge deficit receivable	35,448	37,405
Prepayments and other debtors	14,996	15,379
	<u>84,315</u>	<u>114,945</u>

3. Bank accounts

	2020	2019
	£	£
Service Charge Accounts	17,978	21,218
Reserve fund	75,567	75,445
	<u>93,545</u>	<u>96,663</u>

Service charge money is held in trust at Barclays Bank PLC, 1 Churchill Place, London, E14 5HP under the titles JPW Property Management Client Account 071/01 The Park (Ilford) Management Ltd Reserve and JPW Property Management Client Account 071/01 The Park (Ilford) Management Ltd SC and HSBC UK, PO Box 1EZ 196, Oxford Street, London, W1D 1NT under the title JPW Property Management Ltd Client Account 071/01 The Parks (Ilford) Management Co Ltd SC.

4. Creditors: amounts falling due within one year

	2020	2019
	£	£
Payments received on account	26,944	49,946
Trade creditors	67,903	41,428
Accruals	4,563	3,385
Other creditors	1,086	22,673
	<u>100,496</u>	<u>117,432</u>

THE PARKS (ILFORD) MANAGEMENT

**NOTES TO THE SERVICE CHARGE ACCOUNTS
YEAR ENDED 30 JUNE 2020**

5. Reserve fund

	2020	2019
	£	£
Balance brought forward	94,176	95,277
Prior period reserve adjustment	(10,594)	-
Interest	122	179
Reserve fund demanded	7,000	5,000
Reserve fund demanded for roofing	4,000	5,000
Expenditure	(17,340)	(11,280)
	<u>77,364</u>	<u>94,176</u>

The reserve fund has been established to meet the cost of large, non regular repair and maintenance work. The present level of the fund may prove insufficient, given the substantial costs which could be incurred and the uncertainty as to when further such costs may arise.

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