

**George Leybourne House**

**Wellclose Square, London, E1**

**Service Charge Accounts**

**For the year ended 31 December 2018**

**BGM Lewis Hickie Limited**

**Chartered Accountants  
Emperor's Gate  
114a Cromwell Road  
Kensington  
London SW7 4AG**

**George Leybourne House  
Service Charge Accounts**

**For the year ended 31 December 2018**

**LANDLORD**

**Entryway Ltd  
George Leybourne House  
Wellclose Square  
London, E1 8HW**

**CONTENTS**

**Page**

<b>Accountants' Report</b>	<b>1</b>
<b>Service Charge Expenditure</b>	<b>2</b>
<b>Balance Sheet</b>	<b>3</b>
<b>Notes to the Accounts</b>	<b>4</b>

**George Leybourne House, Wellclose Square, London E1**  
**For the year ended 31 December 2018**  
**Accountant's report of factual findings**  
**to the landlord of George Leybourne House**

Page 1

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 George Leybourne House, Fletcher Street, London E1.

In accordance with our engagement letter dated 20 March 2017, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 2 to 5 in respect of George Leybourne House, London E1 for the year ended 31 December 2018 in order to provide a report of factual findings about the service charge accounts 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 the guidance in 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 3 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
- (c) With respect to item 3 we found that the balance of service charge monies shown on page 3 of the service charge accounts agrees or reconciles to the bank statement for the accounts in which the funds are held.



**BGM LEWIS HICKIE LIMITED**  
**CHARTERED ACCOUNTANTS**  
Emperor's Gate  
114a Cromwell Road  
Kensington  
London SW7 4AG

Dated: 11/9/19 .....

**George Leybourne House, Wellclose Square, London, E1**  
**Service Charge Accounts**  
**For the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>		
Service Charge Receivable	90,000	85,000
Interest Received	82	71
Less Tax	0	(49)
Other Income	969	603
	<u>91,051</u>	<u>85,625</u>
<b>ESTABLISHMENT EXPENSES</b>		
Management Fee	725	675
Insurance	10,044	10,831
Light and Heat	10,607	11,047
Repairs & Maintenance (Note 8)	46,770	73,168
Wages	25,955	25,666
CCTV	-	359
Telephone	379	351
General Administration	878	1,416
Legal & Professional Fees	694	1,390
Accountant Fees	2,592	2,640
Transfer to Reserve Fund	(7,593)	(41,919)
	<u>91,051</u>	<u>85,625</u>
<b>TOTAL EXPENDITURE</b>	<u>91,051</u>	<u>85,625</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>	<u>-</u>	<u>-</u>

**George Leybourne House, Wellclose Square, London, E1  
Service Charge Balance Sheet as at 31 December 2018**

Page 3

	Notes	2018 £	2017 £
<b>Assets</b>			
Debtors	3	2,977	2,969
Cash at bank	4	<u>18,102</u>	<u>28,230</u>
		21,078	31,199
<b>Liabilities</b>			
	5	<u>(10,058)</u>	<u>(12,586)</u>
Net Assets		<u>11,020</u>	<u>18,613</u>
<b>RESERVES:</b>			
Reserve Fund	6	<u>11,020</u>	<u>18,613</u>

This statement of account was approved and signed by E Mainelli

on behalf of Entryway Limited on 7 Sept 2019

*Elizabeth Mainelli*

**1 Accounting Policies**

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

**2 Tax provided on bank interest received**

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 20%.

**3 Debtors**

	2018	2017
	£	£
Prepayments	2,977	2,969
	<u>2,977</u>	<u>2,969</u>

**4 Bank Accounts**

	2018	2017
	£	£
Service Charge Account 00233854	2,958	4,493
Reserve Fund Account 80734268	12	11
Base Rate Reward Account 93354369	14,952	23,533
Petty Cash	181	193
	<u>18,102</u>	<u>28,230</u>

Service charge money was held in trust at Barclays Bank, Leicester LE87 2BB under the title Entryway Limited.

**5 Creditors**

	2018	2017
	£	£
Amounts received in advance	3,568	5,708
Service Charge creditors	55	564
Accruals	2,892	2,772
Entryway Limited	3,542	3,542
	<u>10,057</u>	<u>12,586</u>

**6 Reserve Fund**

	2018	2017
	£	£
Balance Brought Forward	18,613	60,533
Transfer for the year from Service Charge Account	(7,593)	(41,919)
Balance carried forward	<u>11,020</u>	<u>18,613</u>

The General Reserve 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.

**7 Transactions with directors of Entryway Limited**

E Mainelli, a director, received a management fee in the year of £725 (£675 - 2017) which is charged in these accounts.

**8 Repairs & Maintenance**

Repairs & Maintenance in the year comprise of :-

	£
Swimming Pool	3,603
Water, pump and maintenance costs	3,852
Car Park	780
Lifts	2,661
Building Maintenance	8,228
Reception area	13,119
TV	1,524
Fire Protection	2,376
Refuse Collection	589
Expensed Equipment	7,968
Building Repairs	65
Building Repairs - Roof	2,005
	<u>46,770</u>

