

NORTH EAST WALES HOMES LIMITED

ACCOUNTANTS REPORT
FOR THE YEAR ENDED 31 MARCH 2015

PREPARED BY SAGE & COMPANY CHARTERED ACCOUNTANTS

The purpose of this report is to form an opinion as to whether the records and controls have been suitably maintained by management during the period examined in accordance with the provisions and limits of the UK Association of Letting Agents (UKALA) Accounting Rules.

Although not duty bound to report to any third party or independent body, the Directors of the company have undertaken to an independent examination performed by a firm of Chartered Accountants, to ensure good and proper practice, accuracy and transparency over the company's affairs.

To reach a conclusion on the above, a programme of work was performed, using the regulations of the UKALA as a suitable industry benchmark. Our findings can be summarised as follows:

		Complies?		
		YES	NO	N/A
a	Sage & Company confirm that they are eligible and able to perform such a review, and have suitable work programmes and controls in place.	✓		
b	Having ascertained from the company details of all relevant bank or building society accounts operating in connection with the residential letting and management activities, establish that the banks/building societies used, fall within the relevant definition of "client account".	✓		
c	Establish that the client (bank) accounts fulfil the requirements to be correctly designated and acknowledged.	✓		
d	Where interest is accruing on client money, confirm that this is being dealt with appropriately. [See Note 2]	✓		
e	Take such random samples as to be satisfied that only appropriate payments have been made into client (bank) accounts and in a timely manner.	✓		
f	Take such random samples as to be satisfied that only appropriate payments have been made out of client (bank) accounts, including test-checks of the system for calculating and recording fees and disbursement by sampling transactions against supporting documentation.	✓		
g	Make such test examinations of a sample of client ledger accounts as thought necessary to ascertain whether any such account has gone into debit.	✓		
h	Obtain a copy of the schedule of signatories and through sampling and/or enquiry be satisfied that only suitably appropriate people have made or authorised, payments.	✓		
i	Compare a random selection of lodgements into and payments out of client bank accounts (as evidenced by reference to bank and/or building society statements) with entries in the cash book records of receipts and payments.	✓		
j	Make test-checks of postings to clients' ledger accounts from cash book records of receipts and payments of clients' money and make test-checks on the casts (additions) of such accounts and records.	✓		
k	Examine the bookkeeping system to be satisfied that appropriate ledger accounts are kept and are sufficiently detailed.	✓		

l	Enquire into, test-check the reasons for, and examine documents in support of any transfers found to have been made from one client ledger account to another -ascertaining that entries and transactions are adequately described or explained.	✓		
m	Confirm that reconciliations have been carried out within the relevant timeframes and suitable documentation has been both produced and retained.	✓		
n	Select two reconciliations, one of which must be the last day of the company's accounting year, and at each date test-check their integrity by: - 1. Comparing the sum total of the individual balances due to clients, as shown by the ledger accounts, with the cash book balance on the client (bank) account. 2. Reconciling the sum total of client balances with the balance of funds held according to the client account cash book. 3. Checking the additions of the lists of individual client balances, on both (or more) of the dates selected. 4. Obtain direct confirmation from the bank or building society of the balance on the client (bank) accounts by requesting bank certificates or appropriate confirmation letters in respect of at least one of the dates selected. [See Note 1]	✓		
o	Ascertain by enquiry or investigation whether any unidentified or dormant client funds are held and if so, being dealt with appropriately.			✓
p	Ascertain by enquiry or investigation whether the requirements of The Accounting Rule are both readily available to and, understood by, the relevant persons within the company.	✓		

Note 1:

The results of the two comparisons required under section 'n' of the checklist were as follows:

Reconciliation date 1: 31 January 2015

Total liability to clients as shown by client's ledger	£	1,100.00
Cash held in client bank account after allowance for outstanding cheques and lodgements cleared after date	£	1,100.00
		<hr/>
Difference	£	0.00

Reconciliation date 1: 31 March 2015

Total liability to clients as shown by client's ledger	£	0.00
Cash held in client bank account after allowance for outstanding cheques and lodgements cleared after date	£	11.77
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Difference (being clearly trivial)	£	-11.77

The above difference was clearly trivial, and the result of not transferring enough fees/commission to the office account. This was rectified after the month end, there is no cause for concern, and there was no loss to any client.

Note2:

In respect of section 'd', it should be noted that all income receiveable on client account balances should be credited directly to the office account. All other aspects of section 'd' were dealt with satisfactorily and with interest received just £1.15, the error is therefore trivial.

Conclusion

We have examined the books, accounts and documents produced, relating to the above-named firm to the extent required.

We understand that the company, its management and any other party may rely on this Report.

In so far as an opinion can be based on this limited examination,

1 We are satisfied that during the above-mentioned accounting period, the company has complied with the provisions of the UKALA's Accounting Rule other than in respect of certain trivial breaches due to clerical errors or mistakes in book-keeping , all of which were rectified on discovery and none of which, we are satisfied, resulted in any loss to any client;

Or, ~~We are not satisfied that during the above-mentioned accounting period the Member Firm listed above has complied with the provisions or requirements of the NFoPP's Accounting Rule, because of:~~

SAGE & COMPANY

**CHARTERED ACCOUNTANTS
REGISTERED AUDITORS**

23 NOVEMBER 2015

**102 BOWEN COURT
ST ASAPH BUSINESS PARK
ST ASAPH
DENBIGHSHIRE
LL17 0JE**