



Mr J Smith  
Mr J & Mrs J Smith – Property Accounts  
124 High Street  
England City  
PO23 XRT

Date: 1<sup>st</sup> September 2017

Re: Our Ref /SMITH01/Ronak/Alpesh

Dear Mr Smith

Re: Accounts Period Ending: **05.04.16**, Trading period: **06.04.15 to 05.04.16**

Kindly find enclosed

- a) Draft Accounts for period ending 05.04.16
- b) Letter of representation.
- c) Points of concern, outstanding and review points. Answering these questions may result in accounts being amended.

We will shortly arrange for one of our Accountants (Mr XYZ FCA or Mr ABC FCCA or Mr MNO ACA) to call you and discuss these Draft Accounts with you over the phone. Thereafter, we will send you 3 bounded copies of the amended, signed and approved Final Accounts agreed with your kind goodself.

If you need an urgent meeting kindly email Mr ABC at [accounts@friendly-accountants.com](mailto:accounts@friendly-accountants.com) **OR** [operations@friendly-accountants.com](mailto:operations@friendly-accountants.com) or call on 020 8619 1485 or 020 8518 0888.

Assuring you of our best attention at all times.

Yours faithfully

*Friendly Accountants*

Date:

To  
Friendly Accountants  
Consultancy House  
220 Wards Road  
Illford  
Essex  
United Kingdom  
IG2 7DY  
Ph – 020 8619 1485 or 020 8518 0888

**Ref: Accounts dated: 05<sup>th</sup> April 2016**

**Our Client Ref: SMITH01**

We have today approved the above Accounts. The Accounts were explained to us properly by your accountant.

We want to inform you that we now need you to prepare the following Tax Returns as quickly as possible

**Individual Name/s**

**Tax Year**

**Partnership Tax Return**

**Tax Year**

Yours Sincerely

Mr J Smith  
Mr J & Mrs J Smith – Property Accounts  
124 High Street  
England City  
PO23 XRT

<b>CLIENT :</b> Mr J & Mrs J Smith - Property Accounts	<b>REVIEWED BY</b>	<b>PREPARED BY &amp; DATE</b>
<b>FILE NO.:</b> SMITH01	Ronak Shah	Jaimin
<b>Y/E :</b> 06-Apr-15 To 05-Apr-16		

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**SECTION A**

**Mr J & Mrs J Smith - Property Accounts**

**For the year ended 05 April 2016**

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**Section A**

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**Mr J and Mrs J Smith - Property Accounts**

**Accounts**

**for the year ended 5 April 2016**

## **Mr J & Mrs J Smith - Rental Accounts**

### **Partnership information**

**Partners**

Mr J Smith  
Mrs J Smith

**Accountants**

Friendly Accountants  
Consultancy House  
220 Wards Road  
Illford, Essex  
United Kingdom  
IG2 7DY

**Business address**

124 High Street  
England City  
PO23 XRT

## Mr J and Mrs J Smith - Property Accounts

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**Mr J & Mrs J Smith - Rental Accounts**

**Accountants' report on the accounts to Mr J & Mrs J Smith - Rental Accounts**

As described on page 3 - 4 you have approved the accounts for the year ended 31 March 2013 set out on pages 2 to 6. In accordance with your instructions we have compiled these accounts from the accounting records and information and explanations supplied to us.

Friendly Accountants

Consultancy House  
220 Wards Road  
Ilford, Essex  
United Kingdom  
IG2 7DY

**Mr J and Mrs J Smith - Property Accounts**

**Income and expenditure account  
for the year ended 5 April 2016**

	2016		2015	
	£	£	£	£
<b>Income</b>				
Rental income		125,967		132,920
<b>Expenses</b>				
Management and Commission charges	25,618		29,428	
Rates and water	837		-	
Insurance	1,183		290	
Light and heat	1,431		490	
Repairs and maintenance	999		850	
Telephone and fax	363		315	
Motor running expenses	2,405		2,675	
Legal and professional fees	2,951		370	
Accountancy	300		300	
Bank charges & interest	193		242	
Bank interest	-		2	
Interest on loans	30,979		36,077	
		(67,259)		(71,039)
<b>Profit before appropriation</b>		<u>58,708</u>		<u>61,881</u>

Mr J and Mrs J Smith - Property Accounts

Balance sheet  
as at 5 April 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	1		2,547,062		2,547,062
<b>Current assets</b>					
Debtors	2	1,657		-	
Cash at bank and in hand		6,415		6,426	
		<u>8,072</u>		<u>6,426</u>	
<b>Current liabilities (note 3)</b>					
Other creditors		118,650		97,000	
Accruals		300		300	
		<u>118,950</u>		<u>97,300</u>	
<b>Net current liabilities</b>			<u>(110,878)</u>		<u>(90,874)</u>
<b>Total assets less current liabilities</b>			2,436,184		2,456,188
<b>Creditors: amounts falling due after more than one year</b>	4		<u>(1,636,524)</u>		<u>(1,672,109)</u>
<b>Net assets</b>			<u><u>799,660</u></u>		<u><u>784,079</u></u>
<b>Financed by:</b>					
Capital accounts	5		855,196		855,497
Current accounts	6		<u>(55,536)</u>		<u>(71,418)</u>
			<u><u>799,660</u></u>		<u><u>784,079</u></u>

**Mr J and Mrs J Smith - Property Accounts**

We approve these accounts and confirm that we have made available all relevant records and information for their preparation.

Mr J Smith

Mrs J Smith

Partners

Date:

**Mr J and Mrs J Smith - Property Accounts**  
**Notes to the Accounts**  
**for the year ended 5 April 2016**

<b>1. Tangible assets</b>	<b>Land and buildings freehold</b>	<b>Total</b>	
	<b>£</b>	<b>£</b>	
<b>Cost</b>			
At 6 April 2015	2,547,062	2,547,062	
At 5 April 2016	<u>2,547,062</u>	<u>2,547,062</u>	
<b>Net book values</b>			
At 5 April 2016	<u>2,547,062</u>	<u>2,547,062</u>	
At 5 April 2015	<u>2,547,062</u>	<u>2,547,062</u>	
<b>2. Debtors</b>	<b>2016</b>	<b>2015</b>	
	<b>£</b>	<b>£</b>	
Prepayments and accrued income	<u>1,657</u>	<u>-</u>	
<b>3. Current liabilities</b>	<b>2016</b>	<b>2015</b>	
	<b>£</b>	<b>£</b>	
Other creditors	118,650	97,000	
Accruals and deferred income	<u>300</u>	<u>300</u>	
	<u>118,950</u>	<u>97,300</u>	
<b>4. Long-term liabilities</b>	<b>2016</b>	<b>2015</b>	
	<b>£</b>	<b>£</b>	
Loans	<u>1,636,524</u>	<u>1,672,109</u>	
<b>5. Partners' capital accounts</b>	<b>Opening balance</b>	<b>Funds introduced</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Mr J Smith and Mrs J Smith	<u>784,079</u>	<u>71,117</u>	<u>855,196</u>

**Mr J and Mrs J Smith - Property Accounts**  
**Notes to the Accounts**  
**for the year ended 5 April 2016**

**6. Partners' current accounts**

	<b>Share of profits £</b>	<b>Balance before tax &amp; drawings £</b>	<b>Drawings £</b>	<b>Closing balance £</b>
Mr J Smith and Mrs J Smith	<u>58,708</u>	<u>58,708</u>	<u>(114,244)</u>	<u>(55,536)</u>

**Mr J and Mrs J Smith - Property Accounts**  
**Formatted Trial Balance**  
**for the year ended 5 April 2016**

Page 1

Code	Description	Apr 16 Current £	Apr 15 Comp. £	Variance £
<b>Profit &amp; Loss Account</b>				
<b>Sales</b>				
051	Rent receivable	125,967	132,920	(6,953)
		<u>125,967</u>	<u>132,920</u>	<u>6,953</u>
<b>Administration Expenses</b>				
319	Management and Commission charges	25,618	29,428	(3,810)
323	Rates and water	837	-	837
326	Insurance	1,183	290	893
331	Light and heat	1,431	490	941
334	Repairs and maintenance	999	850	149
345	Telephone and fax	363	315	48
351	Motor running expenses	2,405	2,675	(270)
365	Legal and professional fees	2,951	370	2,581
368	Accountancy	300	300	-
371	Bank charges & interest	193	242	(49)
		<u>36,280</u>	<u>34,960</u>	<u>1,320</u>
<b>Interest Receivable/Paid and Similar Income</b>				
472	Bank interest paid	-	2	(2)
475	Mortgage interest	30,979	36,077	(5,098)
		<u>30,979</u>	<u>36,079</u>	<u>(5,100)</u>
<b>Total Overheads</b>		<u>67,259</u>	<u>71,039</u>	<u>(3,780)</u>
<b>Profit</b>		<u>58,708</u>	<u>61,881</u>	<u>(3,173)</u>

**Mr J and Mrs J Smith - Property Accounts**  
**Formatted Trial Balance**  
**for the year ended 5 April 2016**

**Balance Sheet**

**Fixed Assets**

621	Freeholds cost or valuation b/fwd	2,547,062	2,547,062	-
		<u>2,547,062</u>	<u>2,547,062</u>	<u>-</u>

**Current Assets**

751	Prepayments	1,657	-	1,657
771	Bank current account 1	4,536	3,580	956
772	Bank current account 2	1,276	2,592	(1,316)
782	Cash control account	603	254	349
		<u>8,072</u>	<u>6,426</u>	<u>1,646</u>

**Current Liabilities**

880	Other creditors	118,650	97,000	21,650
881	Accruals	300	300	-
		<u>118,950</u>	<u>97,300</u>	<u>21,650</u>

**Net Current liabilities**

		<u>(110,878)</u>	<u>(90,874)</u>	<u>(20,004)</u>
904	Mortgage-1	130,601	133,193	(2,592)
904A	Mortgage-2	241,846	247,065	(5,219)
904B	Mortgage-3	181,685	190,856	(9,171)
904C	Mortgage-4	165,420	171,388	(5,968)
904D	Mortgage-5	332,052	338,989	(6,937)
904E	Mortgage-6	300,225	305,923	(5,698)
904F	Mortgage-7	284,695	284,695	-
		<u>1,636,524</u>	<u>1,672,109</u>	<u>(35,585)</u>

**Net assets**

		<u>799,660</u>	<u>784,079</u>	<u>15,581</u>
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**Capital**

9401	Partner 1 cap acc b/f	784,079	750,376	33,703
9411	Partner 1 cap acc funds introduced	71,117	105,121	34,004
	Profit & Loss Account	58,708	61,881	3,173
9561	Partner 1 curr acc drawings	114,244	133,299	19,055
		<u>799,660</u>	<u>784,079</u>	<u>15,581</u>



**Mr J and Mrs J Smith -  
Property Accounts**  
124 High Street  
England City  
PO23 XRT

27 October 2016

Friendly Accountants  
Consultancy House  
220 Wards Road  
Ilford  
Essex  
United Kingdom  
IG2 7DY

Ref: Smith01/Ronak

Dear Sir,

**Accounts of Mr J and Mrs J Smith – Property Accounts for the year ended 05 April 2016**

We are writing to you in connection with your preparation of the above accounts and confirm to the best of our knowledge and belief, the following information and representations given to you in connection with the accounts are true and fair.

**Accounting Records**

All receipts, payments, income and expenditure have been recorded in the books and records of the business, which provide complete account of all transactions for the year under review.

**We confirm the following:**

**BALANCE SHEET**

**Assets:**

During the year under review, the business did not acquire any fixed assets.

The business owned and held the following fixed assets as on 05 April 2016 with the net book values of:

Land and buildings freehold	£ 2,547,062
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All cash transactions during the year have been fully included in the accounts. The cash in hand as at 05 April 2016 was £603.

Prepayments as at 05 April 2016 were £1,657.

The business had following Bank accounts:

	<b>Balance at 05 April 2016</b>
	<b>£</b>
◆ Barclays Bank Account – 123456	4,536
◆ Barclays Bank Account – 789012	1,276

#### **Liabilities:**

All liabilities to date have been provided for and are fully reflected in the accounts. These include:

	<b>£</b>
◆ Other creditors	118,650
◆ Accruals	300
◆ Mortgage-1	130,601
◆ Mortgage-2	241,846
◆ Mortgage-3	181,685
◆ Mortgage-4	165,420
◆ Mortgage-5	332,052
◆ Mortgage-6	300,225
◆ Mortgage-7	284,695

#### **INCOME AND EXPENDITURE ACCOUNT**

All income from the business activities has been fully included in the accounts.

All expenditure included in the Income And Expenditure Account was properly incurred in connection with the business activities and had been duly authorised by the partners.

In particular, we confirm the following amounts were incurred during the year in respect of:

	<b>£</b>
◆ Management and Commission charges	25,618
◆ Rates and water	837
◆ Insurance	1,183
◆ Light and heat	1,431

◆ Repairs and maintenance	999
◆ Telephone and fax	363
◆ Motor running expenses	2,405
◆ Legal and professional fees	2,951
◆ Accountancy	300
◆ Bank charges and interest	193
◆ Mortgage interest	30,979

The Income for the year was as follows:

	£
◆ Rent receivable	125,967

### Capital Account:

We agree with the capital introduced and total drawings as per attached schedule, which includes cash drawings of £30,500.

### Missing Information

We confirm that we are unable to provide you with the following documents and information:

- ❖ Bank statements of Barclays Premier Life Account –789012 for the period 07.04.15 to 10.06.15.
- ❖ All cheque stubs of Barclays Bank Account – 123456 for the whole year.

In the absence of above documents and information, we accept any estimates that you have made in preparing the accounts as reasonable and acknowledge that you had made us aware of such.

### Finally,

We understand that it is our responsibility to maintain proper books and records and it is an offence not to do so.

We confirm that the books, records and information provided to you correctly, completely and accurately reflect our business transactions and details to the best of our abilities.

We confirm that there is no other information that we are aware of, that should be brought to your attention in preparing these accounts.

**Post Balance Sheet Date Events**

We confirm that no events have occurred between the Balance Sheet date and the date on this letter, which would materially affect the amounts, or the manner in which significant items are reflected in the accounts.

Yours faithfully,

.....                      .....

**Mr J Smith                      Mrs J Smith**

**Partners - Mr J and Mrs J Smith - Property Accounts**

# Nominal Account Details

Client : Mr J and Mrs J Smith - Property Accounts  
 Year End : 05/04/16

From Nominal Code **9411** To Nominal Code **9561**  
 Transactions Sorted by

**Account 9411 Partner 1 cap acc funds introduced**

Tran. No.	Bat. No.	Date	RefNo	Narrative	Debit	Credit	Balance	Type	Analysis
1175	51	05/04/16	G/4/5	Bank Account - 2 - Refund from trainline luxembourg		8.15	-8.15	JNL	772
1177	51	05/04/16	G/4/5	Bank Account - 2 - Year one pl discount		10.00	-18.15	JNL	772
1191	51	05/04/16	G/4/9	Bank Account - 2 - Dividend received from National		21.15	-39.30	JNL	772
1193	51	05/04/16	G/4/9	Bank Account - 2 - Dividend received rom BT Gropuppp		321.60	-360.90	JNL	772
1195	51	05/04/16	G/4/9	Bank Account - 2 - Dividend from centrica plc		53.27	-414.17	JNL	772
1197	51	05/04/16	G/4/9	Bank Account - 2 - Dividend from LAG		51.92	-466.09	JNL	772
1199	51	05/04/16	G/4/9	Bank Account - 2 - Dividend from lloyds bank		3.38	-469.47	JNL	772
1201	51	05/04/16	G/4/9	Bank Account - 2 - Dividend received from national grid		39.71	-509.18	JNL	772
1203	51	05/04/16	G/4/9	Bank Account - 2 - Dividend received from royal dutch shell		62.61	-571.79	JNL	772
1205	51	05/04/16	G/4/9	Bank Account - 2 - Rceived from 626748751301		1,102.60	-1,674.39	JNL	772
1209	51	05/04/16	G/4/9	Bank Account - 2 - Dividend received from BG group PLC		39.74	-1,714.13	JNL	772
1215	53	05/04/16	F/6/4	Mortgage- 1 - Direct debit	4,646.91		-6,361.04	JNL	904
1219	54	05/04/16	F/7/4	Mortgage- 2 - Direct debit	9,027.42		-15,388.46	JNL	904A
1223	55	05/04/16	F/8/4	Mortgage- 3 - Payment received	13,729.68		-29,118.14	JNL	904B
1227	56	05/04/16	F/9/4	Mortgage- 4 - Direct debit	8,490.24		-37,608.38	JNL	904C
1231	57	05/04/16	F/10/4	Mortgage- 5 - Direct debit	12,163.56		-49,771.94	JNL	904D
1235	58	05/04/16	F/11/4	Mortgage- 6 - Direct debit	10,419.99		-60,191.93	JNL	904E
1239	59	05/04/16	F/12/4	Mortgage- 7 - Direct debit	8,085.36		-68,277.29	JNL	904F
1240	52	05/04/16	Jnl 03	Insurance for the property 1 and 5 booked from XYZ LTD	2,839.85		-71,117.14	JNL	
Totals					0.00	71,117.14	-71,117.14		

**Account 9561 Partner 1 curr acc drawings**

Tran. No.	Bat. No.	Date	RefNo	Narrative	Debit	Credit	Balance	Type	Analysis
1086	50	05/04/16	G/3/6	Bank Account -1 - Homeassist/Britgas	75.00		75.00	JNL	771
1094	51	05/04/16	G/4/5	Bank Account - 2 - Home pack fee	30.00		105.00	JNL	772
1096	51	05/04/16	G/4/5	Bank Account - 2 - Tech Pack fee	47.50		152.50	JNL	772
1098	51	05/04/16	G/4/5	Bank Account - 2 - Travel Plus fee	67.50		220.00	JNL	772
1100	51	05/04/16	G/4/5	Bank Account - 2 - Thames water	179.84		399.84	JNL	772
1102	51	05/04/16	G/4/6	Bank Account - 2 - Renewinsurance.com	279.29		679.13	JNL	772
C/FWD					679.13	0.00	679.13		

# Nominal Account Details

Client : Mr J and Mrs J Smith - Property Accounts  
Year End : 05/04/16

Continued From Previous Page

Account 9561 Partner 1 curr acc drawings

Tran. No.	Bat. No.	Date	RefNo	Narrative	Debit	Credit	Balance	Type	Analysis
				B/FWD	679.13	0.00	679.13		
1112	51	05/04/16	G/4/10	Bank Account - 2 - Action Aid	34.00		713.13	JNL	772
1114	51	05/04/16	G/4/10	Bank Account - 2 - Air-India	26.00		739.13	JNL	772
1116	51	05/04/16	G/4/10	Bank Account - 2 - Bathstore	89.96		829.09	JNL	772
1118	51	05/04/16	G/4/11	Bank Account - 2 - Bestway	3,430.00		4,259.09	JNL	772
1120	51	05/04/16	G/4/11	Bank Account - 2 - Brit Gas Business	862.56		5,121.65	JNL	772
1122	51	05/04/16	G/4/11	Bank Account - 2 - British Gas Serv	590.99		5,712.64	JNL	772
1124	51	05/04/16	G/4/11	Bank Account - 2 - Chetan whoelsalers	692.98		6,405.62	JNL	772
1126	51	05/04/16	G/4/11	Bank Account - 2 - Dharmesh Cash & Car	1,095.00		7,500.62	JNL	772
1128	51	05/04/16	G/4/11	Bank Account - 2 - Homeassist/Brit Gas	62.50		7,563.12	JNL	772
1130	51	05/04/16	G/4/12	Bank Account - 2 - Iskcon Bhaktivedan	260.00		7,823.12	JNL	772
1132	51	05/04/16	G/4/12	Bank Account - 2 - Kamros cash and car	600.00		8,423.12	JNL	772
1134	51	05/04/16	G/4/12	Bank Account - 2 - MBUK Ltd	270.00		8,693.12	JNL	772
1136	51	05/04/16	G/4/12	Bank Account - 2 - Missing chq stub	58.50		8,751.62	JNL	772
1138	51	05/04/16	G/4/12	Bank Account - 2 - Mondal Assistance	394.20		9,145.82	JNL	772
1140	51	05/04/16	G/4/13	Bank Account - 2 - NDCS Supp	77.00		9,222.82	JNL	772
1142	51	05/04/16	G/4/13	Bank Account - 2 - NHSBSA PPC	83.20		9,306.02	JNL	772
1146	51	05/04/16	G/4/13	Bank Account - 2 - Sainsburys M/Card	48,849.51		58,155.53	JNL	772
1148	51	05/04/16	G/4/14	Bank Account - 2 - Scottish Widows	500.00		58,655.53	JNL	772
1150	51	05/04/16	G/4/14	Bank Account - 2 - Sense	100.00		58,755.53	JNL	772
1152	51	05/04/16	G/4/14	Bank Account - 2 - Sheffield universi	9,000.00		67,755.53	JNL	772
1154	51	05/04/16	G/4/14	Bank Account - 2 - Sightsavers	25.00		67,780.53	JNL	772
1156	51	05/04/16	G/4/15	Bank Account - 2 - Sky digital	611.73		68,392.26	JNL	772
1158	51	05/04/16	G/4/15	Bank Account - 2 - Tameside	139.28		68,531.54	JNL	772
1160	51	05/04/16	G/4/15	Bank Account - 2 - Tesco Bank	10,087.27		78,618.81	JNL	772
1162	51	05/04/16	G/4/15	Bank Account - 2 - The Salvation Army	50.00		78,668.81	JNL	772
1164	51	05/04/16	G/4/15	Bank Account - 2 - The University of	150.00		78,818.81	JNL	772
1166	51	05/04/16	G/4/16	Bank Account - 2 - Times Newspapers	303.30		79,122.11	JNL	772
1168	51	05/04/16	G/4/16	Bank Account - 2 - Trainline	18.90		79,141.01	JNL	772
1170	51	05/04/16	G/4/16	Bank Account - 2 - University of shef	3,971.88		83,112.89	JNL	772
1280	52	05/04/16	Jnl 16	Cash drawings	30,500.00		113,612.89	JNL	
1288	52	05/04/16	Jnl 18	Missing period DD SO estimated - as per summary	631.59		114,244.48	JNL	
Totals					<u>114,244.48</u>	<u>0.00</u>	<u>114,244.48</u>		

<b>Trading as: Mr J &amp; Mrs J Smith - Property Accounts</b>	<b>Y/E: 05.04.16</b>
<b>Reference: Smith01   Prepared By: Ronak Shah</b>	<b>Date: 27.10.16</b>

**LIST OF OUTSTANDING POINTS – Part I**

<b>SR. NO.</b>	<b>OUTSTANDING POINTS</b>	<b>SOLUTION</b>
1.	<p><b><u>PLEASE CONFIRM:</u></b></p> <ul style="list-style-type: none"> <li>➤ Accounts have been prepared on the basis of expenses invoices, bank statements, Mortgage statements and few income invoices received from client.</li> <li>➤ We have accounted rental income of £125,967 on the basis of invoices and client's details. It includes: <ul style="list-style-type: none"> <li>◆ £1,667 – Property 1 -for the month Apr-15 and May-15 (As per client's details)</li> <li>◆ £22,000 – Property 2 (As per client's details)</li> <li>◆ £21,600 – Property 3 as per invoices of rental income</li> <li>◆ £15,000 – Property 4 (As per client's details)</li> <li>◆ £26,000 – Property 5 (As per client's details)</li> <li>◆ £22,000 – Property 6 (As per client's details)</li> <li>◆ £17,700 – Property 7 as per statement of rental income</li> </ul> </li> <li>➤ We have not accounted any wear and tear allowance as assumed that all properties given on rent are unfurnished.</li> <li>➤ We have accounted Management charges of £21,650 which is paid to Belmont UK Limited.</li> <li>➤ In the absence of invoices or bank payments towards repairs, we have estimated £895 lump sum and £104 booked per rental income invoices for the property 60 Kenwood.</li> <li>➤ Telephone expenses of £363 include £163 for O2 as per bank and £200 estimated lump sum.</li> <li>➤ Motor expenses of £2,405 include £405 for DVLA and £2,000 estimated lump sum.</li> <li>➤ Legal and professional fees of £2,951 include £2,298 towards Roger Hannah &amp; Co for the property 1.</li> <li>➤ <b>Mortgage interest of £30,979 accounted as per mortgage statements provided by the client. It includes:</b> <ul style="list-style-type: none"> <li>◆ The following Mortgage interest accounted as per the mortgage statements provided by the client</li> <li>◆ £2,055 – estimated based on previous year for Property 1</li> <li>◆ £3,808 – Property 2</li> <li>◆ £4,559 – Property 3</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"><li>◆ £2,522 – Property 4</li><li>◆ £5,227 – Property 5</li><li>◆ £4,722 – Property 6</li><li>◆ £8,085 – Property 7.</li></ul> <p>➤ <b>Accountancy of £300 (gross) accrued as per Doshi contract. Please confirm.</b></p>	
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Kind regards  
Ronak Shah  
27.10.16



A/4 (Queries)

Trading as: Mr J & Mrs J Smith - Property Accounts	Y/E: 05.04.16
Reference: Smith01   Prepared By: Ronak Shah	Date: 27.10.16

**LIST OF OUTSTANDING POINTS – Part II**

<b>SR. NO.</b>	<b><u>OUTSTANDING POINTS</u></b>	<b><u>SOLUTION</u></b>
1.	<p><b><u>Queries:</u></b></p> <p>➤ <b><u>Missing information:</u></b></p> <ul style="list-style-type: none"><li>❖ Bank statements of Barclays Premier Life Account – 789012 for the period 07.04.15 to 10.06.15.</li><li>❖ All cheque stubs of Barclays Bank Account – 123456 for the whole year.</li></ul>	

Kind regards  
Ronak Shah  
27.10.16

**CLIENT:** Mr J & Mrs J Smith - Property Accounts  
**REF:** Smith01

**PREPARED BY:** Hiren P  
**DATE:** 27.10.16

**Year Ended:** 05 April 2016

**REVIEWED BY:** Ronak Shah  
**DATE:** 27.10.16

List of Outstanding Points – III Analytical Review

<u>Sr No</u>	<u>Points</u>	<u>05-04-16</u>	<u>05-04-15</u>
		£	£
1	<b><u>Net Profit</u></b> Net profit for the current year is £58,708.	58,708	61,881
2	<b><u>Rental Income</u></b> ➤ We have accounted rental income of £125,967 on the basis of invoices and client's details. It includes: <ul style="list-style-type: none"> <li>◆ £1,667 – Property 1 -for the month Apr-15 and May-15 (As per client's details)</li> <li>◆ £22,000 – Property 2 (As per client's details)</li> <li>◆ £21,600 – Property 3 as per invoices of rental income</li> <li>◆ £15,000 – Property 4 (As per client's details)</li> <li>◆ £26,000 – Property 5 (As per client's details)</li> <li>◆ £22,000 – Property 6 (As per client's details)</li> <li>◆ £17,700 – Property 7 as per statement of rental income</li> </ul>	125,967	132,920
3	<b>Accountancy of £300 (gross) accrued as per Doshi contract.</b>	300	300

Trading as: Mr J & Mrs J Smith - Property Accounts  
 Reference: Smith01  
 Prepared By: Ronak Shah

Y/E: 05.04.16  
 Date: 27.10.16

**Executive Summary- Applicable to each and every working paper file: (Please keep a print out of this in the w/p file)**

1) Balance sheet and Trading and Profit and Loss print outs cross-referenced to working paper lead schedules.	Yes.
2) A completed Companies Act checklist for all corporate organisation.	N.A.
3) All lead schedules must be cross-referenced to detailed schedules.	Yes
4) Print out of final TB from book-keeping package (sage,MYOB,etc) ensuring all entries mirror the statutory accounts.	Yes
5) Increase/decrease in sales and explanation for the change.	Yes
6) Where appropriate, the sales mix and change as compared with previous period.	N.A
7) Increase/decrease in GP margin and explanation for the change.	Yes
8) Analytical review schedule cross-referenced to working paper highlighting expenses reviewed for tax purpose. Please keep detailed directors account schedule.	Yes
9) Schedule for reportable P11D items.	N.A.
10) Explanation for unusual increase/decrease in debtors/prepayments and creditors/accruals. Each Debtor/creditor cross-referenced to detailed schedules. Highlight any over-drawn directors account. Ensure CT 600a completed where applicable.	Yes N.A.
11) Refer to item that you have encountered during accounts production that you feel further attention.	N.A.
12) Notes and queries to be cleared/discussed with client/manager/partner.	A-4 Queries
13) List of books and records.	As per Log-in Sheet.

## **POINTS TO IMPROVE BOOK KEEPING & ACCOUNTS RECORDS**

1. **Physical Stock count should be taken at the end of each financial year and if possible, at the end of each VAT quarter (if applicable). If necessary, have an independent stock-takers do it for you especially at the end of financial year.**
2. **Records of all sales records should be maintained for each day of trading.**
3. **Cash balance should be counted at the end of financial year or better still if counted on a regular basis.**
4. **Cash drawings should be recorded whenever drawn by the Proprietor/Partners/Directors.**
5. **Any private funds put into the business should also be recorded with dates and details of the source of such funds.**
6. **Prepare a list of amounts not paid to various suppliers in respect of goods & services at the end of each VAT quarterly/monthly period.**
7. **File statements in respect of old and new bank loans and hire purchase documents in one file.**
8. **Never lose or misplace any bank statements. It is expensive to order a replacement copy.**
9. **Remember to write payment details of all cheques on the stubs/counterfoils. Please do not leave them blank.**
10. **Keep records of any rental income and expenses for various properties and send the information to us for each VAT quarter (if applicable) or at the end of the year.**
11. **Also keep in the file a copy of completion statement in respect of acquisition of any new business, property, etc. Make sure that breakdown of such acquisition is available to your accountants.**

Client Name:  
Report: Tax calculation (SA302)  
Assessment Year: Year to 5 April 2015

Client Ref:  
UTR:

£ £ £ £

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**Tax Calculation for Year to 5 April 2015**

**Income received (before tax taken off)**

Pay from all employments	8,160.00
Profit from partnerships	218.00
Profit from UK land and property	30,940.00
Dividends from UK companies (plus 10% tax credits)	6,730.00

**Total income received** 46,048.00

Less Personal allowance (10,000.00)

**Total income on which tax is due** 36,048.00

**Allocation of income to rate bands**

Non-savings income etc.	29,318.00	@ 20% =	5,863.60
Dividend income etc.	2,547.00	@ 10% =	254.70
	4,183.00	@ 32.5% =	1,359.47

**Total income on which tax has been charged** 36,048.00

**Income Tax charged** 7,477.77

Less 10% tax credits on dividends from UK companies (not repayable) (673.00)

**Income Tax due after dividend tax credits** 6,804.77

Less payments on account for tax year to 5 April 2015

31 January 2015 First payment on account 2,395.30

31 July 2015 Second payment on account 2,395.30

**Total payments on account** (4,790.60)

**Tax that you owe** 2,014.17

**Summary**

**31 January 2016**

Balancing payment for tax year to 5 April 2015 2,014.17

First payment on account for tax year to 5 April 2016 3,402.38

**Total amount due** 5,416.55

**31 July 2016**

Second payment on account for tax year to 5 April 2016 3,402.39

Client Name:  
Report: Tax calculation (SA302)  
Assessment Year: Year to 5 April 2015

Client Ref:  
UTR:

£ £ £ £

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**Tax Calculation for Year to 5 April 2015**

**Income received (before tax taken off)**

Pay from all employments	8,160.00
Profit from partnerships	217.00
Profit from UK land and property	30,940.00
Dividends from UK companies (plus 10% tax credits)	5,555.00

**Total income received** 44,872.00

Less Personal allowance (10,000.00)

**Total income on which tax is due** 34,872.00

**Allocation of income to rate bands**

Non-savings income etc.	29,317.00	@ 20% =	5,863.40
Dividend income etc.	2,548.00	@ 10% =	254.80
	3,007.00	@ 32.5% =	977.27

**Total income on which tax has been charged** 34,872.00

**Income Tax charged** 7,095.47

Less 10% tax credits on dividends from UK companies (not repayable) (555.50)

**Income Tax due after dividend tax credits** 6,539.97

Less payments on account for tax year to 5 April 2015

31 January 2015 First payment on account 2,395.30

31 July 2015 Second payment on account 2,395.30

Total payments on account (4,790.60)

**Tax that you owe** 1,749.37

**Summary**

**31 January 2016**

Balancing payment for tax year to 5 April 2015 1,749.37

First payment on account for tax year to 5 April 2016 3,269.98

Total amount due 5,019.35

**31 July 2016**

Second payment on account for tax year to 5 April 2016 3,269.99



**Client No : Smith01**

**Other Enclosures to be sent with the Accounts to London office as below**

- 1) Draft Accounts: **Section A & B**
- 2) Last year's Self Assessment , Tax computations of all directors/Partners: **Yes**
- 3) Last P35 processed which shows numbers, name of employees, their salaries, the PAYE Liability, PAYE Sum of Year Etc. **N/A**

Last Payroll run dispatch Number of Employee and their salaries **N/A**

- 4) Working Tax credit and Child Tax credits Schedules: **Yes**
- 5) 4 VAT Returns, VAT 100, VAT liability per quarter, VAT Scheme, Comparison etc. **N/A**
- 6) A) Schedules

- a. Creditor schedules: **N/A**
- b. Debtors schedules: **N/A**
- c. Stocks schedules: **N/A**
- d. Capital and drawings schedules and their breakdown : **Yes**
- e. Family wages and director remuneration: **N/A**
- f. If under declaration, explanations: **N/A**

B) Explanations

- If directors dividends increased to Maximum.....in order reaches just below 40% Tax bracket :
- Ans : N/A**
- If director dividend reduced and positive current director's sum used from previous year to avoid this year 40% Tax.:

**Ans : N/A**

- 7) Proof of capital introduced and capital introduced with no proof explanation : **N/A**
- 8) Copies of all emails from Operations Dept./Consultant for preparing accounts: **N/A**
- 9) Copies of MY2 emailed by Vadodara Office with questionnaire notes: **N/A**
- 10) 1st Phone Call and 2nd Phone Call Conversation Report : **N/A**



**Working Tax Credit for those without Childred (£)**

Annual income (£)	You're single aged 25 or over working 30 or more hours a week	You're in a couple aged 25 or over working 30 or more hours a week
*9,657	1,390	3,360
10,000	1,250	3,220
11,000	840	2,810
12,000	430	2,340
13,000	-	1,990
14,000	-	1,580
15,000	-	1,170
16,000	-	760
17,000	-	350
18,000	-	-

\* Someone aged 25 or over, working 30 hours a week on National Minimum Wage (Based on Oct 12 rates) would earn £9,657 a year.

**If you are in work and responsible for atleast one child**

Working and Child Tax Credit (£)				
Annual income (£)	One child	Two children	Three children	
*1 5,058	7,165	9,888	12,615	
*2 9,657	6,630	9,355	12,080	
10,000	6,490	9,215	11,935	
15,000	4,440	7,165	9,885	
20,000	2,390	5,115	7,835	
25,000	340	3,065	5,785	
30,000	-	1,015	3,735	
35,000	-	-	1,685	
40,000	-	-	-	

\*1 - Those with incomes of £5,058 a year are assumed to work part-time (working between 16 and 30 hours a week).

\*2 - In families with an income of £9,657 a year or more, at least one adult is assumed to be working 30 hours or more a week (consistent with the minimum wage of £6.19 (based on Oct 12 rates) for those aged 21 and over).

Note: If you have a child with a disability you may be entitled to more.

**If you do not qualify for working tax credit**

Child Tax Credit Only (£)				
Annual income (£)	One child	Two children	Three children	
No income	3,270	5,995	8,720	
5,000	3,270	5,995	8,720	
8,000	3,270	5,995	8,720	
10,000	3,270	5,995	8,720	
15,000	3,270	5,995	8,720	
20,000	1,595	4,320	7,040	
25,000	-	2,270	4,990	
30,000	-	220	2,940	
35,000	-	-	890	
40,000	-	-	-	

Note: If you have a child with a disability you may be entitled to more.

**Working Tax Credit for those without Childred (£)**

Annual income (£)	You're single aged 25 or over working 30 or more hours a week	You're in a couple aged 25 or over working 30 or more hours a week
*9,847	1,340	3,330
10,000	1,280	3,270
11,000	870	2,860
12,000	460	2,450
13,000	50	2,040
14,000	-	1,630
15,000	-	1,220
16,000	-	810
17,000	-	400
18,000	-	-

\* Someone aged 25 or over, working 30 hours a week on National Minimum Wage (Based on Oct 2013 rates) would earn £9,847 a year.

**If you are in work and responsible for atleast one child**

Working and Child Tax Credit (£)				
Annual income (£)	One child	Two children	Three children	
*1 5,250	7,230	9,990	12,740	
*2 9,847	6,630	9,380	12,140	
10,000	6,570	9,320	12,070	
15,000	4,520	7,270	10,020	
20,000	2,470	5,220	7,970	
25,000	420	3,170	5,920	
30,000	-	1,120	3,870	
35,000	-	-	1,820	
40,000	-	-	-	

\*1 - Those with incomes of £5,250 a year are assumed to work part-time (working between 16 and 29 hours a week).

\*2 - In families with an income of £9,847 a year or more, at least one adult is assumed to be working 30 hours or more a week (consistent with the minimum wage of £6.31 (based on Oct 2013 rates) for those aged 21 and over).

Note: If you have a child with a disability you may be entitled to more.

**If you do not qualify for working tax credit**

Child Tax Credit Only (£)				
Annual income (£)	One child	Two children	Three children	
No income	3,330	6,050	8,800	
5,000	3,330	6,050	8,800	
8,000	3,330	6,050	8,800	
10,000	3,330	6,050	8,800	
15,000	3,330	6,050	8,800	
20,000	1,660	4,420	7,170	
25,000	-	2,370	5,120	
30,000	-	320	3,070	
35,000	-	-	1,020	
40,000	-	-	-	

Note: If you have a child with a disability you may be entitled to more.