

Dear customer,

### **The annual accounts for BECKETTS GROVE PHASE 2 (WYMONDHAM)**

It's that time of year where we look at the work we have carried out at your development and provide you with the annual accounts for your review.

The annual accounts cover the period from 01/01/2021 – 31/12/2021. I would like to offer you my reassurances that they have been fully reviewed by Fortus.

### **Summary of annual accounts**

I am pleased to confirm that the overall expenditure was lower than estimated, resulting in a surplus balance of **£16,184**

Please note that because of how we are required to allocate costs across your development, even though the overall accounts are in surplus, some blocks or schedules have a deficit.

We have been working hard to rectify any issues and carry out essential preventative work throughout the year at your development, with your safety and comfort always our number one priority.

There has been a surplus against the estate service charge, however unfortunately as you can see there has been a slight deficit against the Block Service Charge. This deficit is partly due to income not matching the budgeted income which will be due to completions, this will balance out as the void periods for properties sold during this financial year will be offset separately. This is due to the funds not being received during this financial year, but being received at the issuing of the accounts but this will show on the next accounts.

You can view the complete accounts for full details on our online customer account My Home, but I have highlighted some examples of the most significant jobs carried out. I have also included key spend areas where costs have changed.

### **Insurance**

Unfortunately there has been an increase in insurance costs this year. Whilst the insurance market conditions continue to be difficult, the primary driver for the increase has been the impact of inflationary factors on the 'building declared value' (BDV). BDV is the amount that it costs to reinstate a building in the event it is destroyed due to an insured peril and considers the cost of materials and labour in the construction industry. The index linking figures are currently adding double digit increases to the BDV, the highest amount for several years, and that is before the insurer reviews the underlying insurance rate for each building.

The continued difficult market has been driven by several factors, but predominantly because of fewer insurers wanting to underwrite real estate insurance and an increase in the number and cost of claims; particularly escape of water claims. Climate change is also impacting the insurance market which is seeing an increase in the frequency of significant events such as storms and flooding, not just in the UK, but globally. These factors combined with the impact of changing building regulations, have all contributed to the higher insurance premiums you see in your budget.

The insurance cost in your budget also includes the government's Insurance Premium Tax (IPT), this is currently set at 12% of the underlying premium.

## Frequently Asked Questions

I have included some frequently asked questions, which I hope you will find useful.

- **What does your service charge pay for?** The service charge enables us to take care of your development. The money goes into a bank account set up especially for you and your neighbours. If you do not pay your service charge on time, it will not affect FirstPort as a business, but it will affect your development and your neighbours. If there are not enough funds in your development's bank account, this may mean we will need to postpone essential works, which will impact our ability to keep your development in good order and to the standards you would expect.
- **What we do with your money.** Although we ask you to make payment to FirstPort, your money is credited to an interest-bearing designated service charge bank account and held by way of statutory trust. All our development bank accounts are completely independent of the trading accounts of any of the FirstPort group companies. Our development bank accounts are with Barclays.
- **What is the reserve fund.** Your development may be legally required to have its own contingency fund. These funds are used to cover the cost of any planned major works expenditure, such as access way repairs, replacement of assets including gates and lifts, and large scale internal or external redecoration. Please note, details of the balance held for each schedule is shown on the Notes page (item 5)
- **Online account management.** Easy to use and free to register, your online account provides e-billing and updates about your home. You can track major works and repairs and view your statements and balance. Go to [firstport.co.uk](http://firstport.co.uk) and click on the 'my account' button to register.

### Find out more

If you would like further information, we recommend looking at the FAQs on our website, which provide helpful information on a range of topics including a glossary of terms to help explain the terminology used in your accounts and service charge estimates - [www.firstport.co.uk/residents-help-and-advice](http://www.firstport.co.uk/residents-help-and-advice)

Yours sincerely,

FirstPort Property Services

BECKETTS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT

SERVICE CHARGE ACCOUNTS

FOR THE YEAR TO 31ST DECEMBER 2021



**BECKETS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT COMPANY LIMITED**

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**FOR THE YEAR TO 31ST DECEMBER 2021**

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- 1 Property Information
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- 7 Balance Sheet
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Property Address Becketts Grove Phase 2 (Wymondham) Residents Management Company Limited  
Wymondham  
Norfolk  
United Kingdom  
NR18 0GL

Managing Agent FirstPort Property Services Ltd  
Marlborough House  
Wigmore Lane  
Luton  
Bedfordshire  
LU2 9EX

Accountants Fortus Service Charge  
Chartered Accountants  
Suite A Ground Floor, Baird House  
Seebeck Place  
Knowlhill  
Milton Keynes  
MK5 8FR

**ACCOUNTANTS' REPORT OF FACTUAL FINDINGS TO THE MANAGING AGENTS OF  
BECKETS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT COMPANY LIMITED  
FOR THE YEAR TO 31ST DECEMBER 2021**

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 Becketts Grove Phase 2 (Wymondham) Residents Management Company Limited. In accordance with our engagement letter dated 13th May 2022 we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts and related notes set out on pages 3 to 8 in respect of Becketts Grove Phase 2 (Wymondham) Residents Management Company Limited for the Year to 31st December

This report is made to the Managing Agent 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 Managing Agent and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Managing Agent 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 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 have found the figures in the statement of account to have been extracted correctly from the accounting records.

(b) With respect to item 2 we were unable to confirm that those entries, based on our sample, in the accounting records were supported by receipts, other documentation or evidence. When requested, no support could be provided in respect of the following items from this sample;

-Ground Maintenance: Expenditure totalling £5,302

-Other Debtors: Debtor totalling £10,652

(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 statements for the accounts in which the funds are held.

*Fortus*

Fortus Service Charge  
Chartered Accountants  
Milton Keynes  
MK5 8FR  
14th April 2023

**BECKETS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT COMPANY LIMITED**

**DETAILED INCOME AND EXPENDITURE ACCOUNT**

**SCHEDULE 1 - APARTMENT CHARGE  
FOR THE YEAR TO 31ST DECEMBER 2021**

	Note	2021 Actual £	2021 Budget £	2020 Actual £
<b><u>Income</u></b>				
Service Charge Income		5,572	7,572	5,091
Equipment Replacement Reserve Charges		180	180	180
General Reserve Charges		360	360	360
<b>Total Income</b>		<b>6,112</b>	<b>8,112</b>	<b>5,631</b>
<b><u>Expenditure</u></b>				
<b>Utilities</b>				
Electricity	6	600	600	600
Water		-	85	-
<b>Contracts, Maintenance &amp; Services</b>				
Cleaning		683	629	584
Window Cleaning		150	420	70
Private Drains/Sewers		-	-	14
Fire Detection/ Protection Equipment		385	-	588
Health, Safety & Fire Risk Assessment		3,364	3,364	265
Electrical Inspection		-	-	60
General Repairs and Maintenance		802	390	1,020
Playground Inspections		547	-	-
<b>Insurance</b>				
Buildings, Employers & Public Liability	5	107	1,049	576
Reinstatement Cost Assessment		391	75	75
<b>Management</b>				
Management Fees	5	900	900	840
Accountancy Fees	5	60	60	60
<b>Other</b>				
Year End Adjustment		-	-	339

**BECKETS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT COMPANY LIMITED**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**SCHEDULE 1 - APARTMENT CHARGE**  
**FOR THE YEAR TO 31ST DECEMBER 2021**

	Note	2021 Actual £	2021 Budget £	2020 Actual £
<b>Reserve fund</b>	<b>3</b>			
Transferred to Equipment Replacement Reserve		180	180	180
Transferred to General Reserve		360	360	360
<b>Total Expenditure</b>		<b>8,529</b>	<b>8,112</b>	<b>5,631</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(2,417)</b>	<b>-</b>	<b>-</b>



**BECKETS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT COMPANY LIMITED**

**DETAILED INCOME AND EXPENDITURE ACCOUNT**

**SCHEDULE 2 - COURTYARD CHARGE**

**FOR THE YEAR TO 31ST DECEMBER 2021**

	Note	2021 Actual £	2021 Budget £	2020 Actual £
<b><u>Income</u></b>				
Service Charge Income		275	-	299
Equipment Replacement Reserve Charges		160	160	150
General Reserve Charges		120	120	120
<b>Total Income</b>		<b>555</b>	<b>280</b>	<b>569</b>
<b><u>Expenditure</u></b>				
<b>Contracts, Maintenance &amp; Services</b>				
Grounds Maintenance		70	58	54
Private Drains/Sewers		70	-	43
Health, Safety & Fire Risk Assessment		20	20	20
General Repairs and Maintenance		-	137	5
<b>Insurance</b>				
Buildings, Employers & Public Liability Reinstatement Cost Assessment	5	-	-	7
		122	-	-
<b>Management</b>				
Accountancy Fees	5	60	60	60
<b>Other</b>				
Year End Adjustment		-	-	110
<b>Reserve fund</b>				
Transferred to Equipment Replacement Reserve	3	160	160	150
Transferred to General Reserve		120	120	120
<b>Total Expenditure</b>		<b>622</b>	<b>555</b>	<b>569</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(67)</b>	<b>(275)</b>	<b>-</b>

**BECKETS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT COMPANY LIMITED**

**DETAILED INCOME AND EXPENDITURE ACCOUNT**

**SCHEDULE 3 - ESTATE CHARGE**

**FOR THE YEAR TO 31ST DECEMBER 2021**

	Note	2021 Actual £	2021 Budget £	2020 Actual £
<b><u>Income</u></b>				
Service Charge Income		51,746	56,391	43,831
Equipment Replacement Reserve Charges		1,274	1,350	1,145
General Reserve Charges		1,274	1,350	1,137
<b>Total Income</b>		<b>54,294</b>	<b>59,091</b>	<b>46,113</b>
<b><u>Expenditure</u></b>				
<b>Contracts, Maintenance &amp; Services</b>				
Grounds Maintenance		6,754	20,507	6,403
Health, Safety & Fire Risk Assessment		344	344	450
General Repairs and Maintenance		866	7,590	112
<b>Major Works</b>				
Building Survey		-	-	240
<b>Insurance</b>				
Buildings, Employers & Public Liability	5	2,096	3,578	990
<b>Management</b>				
Management Fees	5	21,140	22,219	22,279
Accountancy Fees	5	1,878	1,878	774
Sundry Expenses		-	-	2,895
<b>Other</b>				
Year End Adjustment		-	-	9,688
<b>Reserve fund</b>				
Transferred to Equipment Replacement Reserve	3	1,274	1,350	1,145
Transferred to General Reserve		1,274	1,350	1,137
<b>Total Expenditure</b>		<b>35,626</b>	<b>58,816</b>	<b>46,113</b>
<b>Surplus/(Deficit) for the Year</b>		<b>18,668</b>	<b>275</b>	<b>-</b>

**BECKETS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT COMPANY LIMITED**

**BALANCE SHEET**

**AS AT 31ST DECEMBER 2021**

	Note	2021 £	2020 £
<b><u>Current Assets</u></b>			
Service Charge Debtors		4,635	4,891
Other Debtors		11,563	10,483
Prepayments		1,895	1,481
Bank Account	<b>4</b>	47,142	48,291
		<hr/>	<hr/>
		65,235	65,146
 <b><u>Current Liabilities</u></b>			
Trade Creditors		432	17,628
Other Creditors		2,228	-
Service Charges Received in Advance		23,064	32,039
Accruals		7,696	2,225
Surplus for the Year	<b>2</b>	16,184	-
		<hr/>	<hr/>
		49,604	51,892
		<hr/>	<hr/>
		<b>15,631</b>	<b>13,254</b>
		<hr/> <hr/>	<hr/> <hr/>
 <b><u>Financed By:</u></b>			
Equipment Replacement Reserve		4,003	2,389
General Reserve		11,628	10,865
		<hr/>	<hr/>
		<b>15,631</b>	<b>13,254</b>
		<hr/> <hr/>	<hr/> <hr/>

**We confirm our approval of these accounts;**



.....  
For and on behalf of FirstPort Property Services Ltd

Date: 14th April 2023  
.....

# BECKETS GROVE PHASE 2 (WYMONDHAM) RESIDENTS MANAGEMENT COMPANY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR TO 31ST DECEMBER 2021

#### 1. ACCOUNTING POLICIES

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

#### 2. SURPLUS AS AT 31ST DECEMBER 2021

The net surplus for the year will be distributed to the residents in accordance with the terms contained within their leasehold agreement or first deed of transfer.

#### 3. RESERVE FUNDS FOR LONGER TERM MAINTENANCE

The reserve fund has been established to provide funds in order to contribute to the cost of major works which are expected to arise in the future. The present level of the fund may prove insufficient, given the uncertainty as to when 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.

	<b>Equipment Replacement Reserve</b>	<b>General Reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward	2,389	10,865	13,254
Provision for the year	1,614	1,754	3,368
Less: Expenditure - See below	-	(991)	(991)
<b>Balance at 31st December 2021</b>	<b>4,003</b>	<b>11,628</b>	<b>15,631</b>
Removal of trees	-	991	991
	-	991	991

#### 4. BANK ACCOUNT(S)

All bank accounts are held in trust in accordance with Section 42 (Landlord & Tenant Act 1987) at Barclays Bank PLC.

#### 5. CONNECTED PARTIES

In addition to management fees, FirstPort Property Services Ltd has received income, related income and other benefits in relation to the service charge for Becketts Grove Phase 2 (Wymondham) Residents Management Company Limited for the year ended 31st December 2021 for the following:

Accountancy Fees  
Buildings, Employers & Public Liability

#### 6. ELECTRICITY

The electricity position is currently being investigated with the utility company and therefore electricity has been accrued to budget in the current year. At year end total accruals of £600 exist in respect of this issue. Any over/under accrual will be credited/charged to the service charge accounts when this issue is resolved.