

THE ANNUAL ACCOUNTS FOR BECKETTS GROVE PH 2 (WYMONDHAM)

It's that time of year where I 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 1st January 2022 to 31st December 2022. I would like to offer you my reassurances that they have been fully reviewed by TC Group.

Summary of annual accounts

I am pleased to confirm that the overall expenditure was lower than estimated, resulting in a surplus balance of **£14,132.11**.

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.

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.

Grounds maintenance: We have attended to the grounds that have been handed over to us from the developer. With this in mind there is a surplus on your account that will be applied to individual property owners.

- **General maintenance:** We have carried out less than anticipated maintenance works during this time period. This can be a tricky area of expenditure to forecast due to the ad-hoc nature of the works required.

Management fee

Like everyone, we are experiencing a significant rise in costs across all areas of our business. The current rate of inflation stands at 11.1% (October 2022) and we're pleased to have been able to keep our management fee increase below this, at to help support our customers in these challenging times.

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 large scale internal and external redecoration, access way repairs or replacement common area carpeting. Please note, details of the balance held for each schedule is shown on the Notes page (item 4).
- **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 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

Please feel free to get in touch if you have any further queries.

Yours sincerely,

Carly Smith
Property Manager
FirstPort Property Services

Beckets Grove Ph2 (Wymondham)
Service Charge Accounts
for the year ended 31 December 2022

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**Accountant's Report of Factual Findings to the Managing Agents of
Beckets Grove Ph2 (Wymondham)
For the Year to 31 December 2022**

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 Beckets Grove Ph2 (Wymondham). In accordance with our engagement letter 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 2 to 4 in respect of Beckets Grove Ph2 (Wymondham) for the Year to 31 December 2022 in order to provide a report of factual findings about the service charge accounts that you have issued.

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 the 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 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 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 found that those entries in the accounting records that we checked were supported by receipts, other documentation or evidence that we inspected.

With the exception of the following:

- Other Debtors: Amounts totalling £11,499
- Accruals: Amounts totalling £4,264

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

TC GROUP

TC Group
Chartered Accountants
Southampton
SO14 3JZ

01/12/2023

21100 - Becketts Grove Ph2 (Wymondham)

Income and Expenditure Account for the Year Ended 31st December 2022

Prior Year (£)		Actual (£)	Budget (£)
	Income		
54,849.00	Service Charge Income	58,551.72	62,822.00
£54,849.00	Total Income	£58,551.72	£62,822.00
	Expenditure		
	S2 Courtyard Charge		
122.00	Insurance Revaluation	-	-
70.00	Grounds Maintenance	57.96	58.00
70.00	General Maintenance	338.44	80.00
60.00	Accounts Preparation Fee	60.00	60.00
20.00	H&S and Risk Assessments	-	-
£342.00	Total Expenditure S2 Courtyard Charge	£456.40	£198.00
	S4 Gen Res - Courtyard		
120.00	Contribution to Reserve	120.00	120.00
£120.00	Total Expenditure S4 Gen Res - Courtyard	£120.00	£120.00
	S5 Gen Res - Estate		
1,274.00	Contribution to Reserve	1,000.00	1,000.00
£1,274.00	Total Expenditure S5 Gen Res - Estate	£1,000.00	£1,000.00
	S6 Estate Charge		
2,096.00	Insurance	1,111.63	2,679.00
-	Insurance Revaluation	595.00	595.00
6,754.00	Grounds Maintenance	10,353.36	25,349.00
866.00	General Maintenance	1,600.00	4,300.00
21,140.00	Management Fees	25,072.00	25,072.00
1,878.00	Accounts Preparation Fee	520.00	520.00
-	Audit/Accounts Certification Fee	780.00	780.00
-	Company Secretarial Fees	575.00	840.00
344.00	H&S and Risk Assessments	209.00	209.00
£33,078.00	Total Expenditure S6 Estate Charge	£40,815.99	£60,344.00
	S8 Equip Res - Courtyard		
160.00	Contribution to Reserve	160.00	160.00
£160.00	Total Expenditure S8 Equip Res - Courtyard	£160.00	£160.00
	S9 Equip Res - Estate		
1,274.00	Contribution to Reserve	1,000.00	1,000.00
1,274.00	Total Expenditure S9 Equip Res - Estate	£1,000.00	£1,000.00
£36,248.00	Total Expenditure All Schedules	£43,552.39	£62,822.00
£18,601.00	Surplus / (Deficit) - 21100 -Becketts Grove Ph2 (Wymondham)	£14,999.33	-

21100A - 2-12 (Evens) Briggs Mead

Income and Expenditure Account for the Year Ended 31st December 2022

Prior Year (£)		Actual (£)	Budget (£)
6,112.00	Income Service Charge Income	5,454.96	5,455.00
£6,112.00	Total Income	£5,454.96	£5,455.00
	Expenditure		
360.00	S3 Gen Res - Apartment Contribution to Reserve	360.00	360.00
£360.00	Total Expenditure S3 Gen Res - Apartment	£360.00	£360.00
180.00	S7 Equip Res - Apartment Contribution to Reserve	180.00	180.00
£180.00	Total Expenditure S7 Equip Res - Apartment	£180.00	£180.00
107.00	S1 Apartment Charge Insurance	1,286.62	1,049.00
391.00	Insurance Revaluation	51.00	51.00
600.00	Electricity	600.00	600.00
-	Water & Sewerage	-	85.00
150.00	Window Cleaning	160.00	120.00
683.00	Communal Area Cleaning	629.04	629.00
1,349.00	General Maintenance	1,214.52	540.00
900.00	Management Fees	923.00	923.00
60.00	Accounts Preparation Fee	60.00	60.00
3,749.00	H&S and Risk Assessments	858.00	858.00
£7,989.00	Total Expenditure S1 Apartment Charge	£5,782.18	£4,915.00
£8,529.00	Total Expenditure All Schedules	£6,322.18	£5,455.00
(£2,417.00)	Surplus / (Deficit) - 21100A -2-12 (Evens) Briggs Mead	(£867.22)	-

21100 - Becketts Grove Ph2 (Wymondham)
Balance Sheet as at 31st December 2022

Prior Year (£)		Current Year (£)
	Assets	
4,635.00	Customer Debtors - Service Charge	9,154.61
-	All other Customer Debtors	258.00
1,895.00	Prepayments	2,306.03
11,563.00	All other Debtors	15,324.51
47,142.00	Cash At Bank	55,741.01
£65,235.00	Total Assets	£82,784.16
	Liabilities	
23,064.00	Customer Creditors - Service Charge	32,490.86
16,184.00	Surplus for the Period	14,132.11
432.00	Supplier Creditors	90.36
7,696.00	Accruals	15,355.75
2,228.00	Site Income	1,466.47
-	Provision for Tax on Interest	159.33
£49,604.00	Total Liabilities	£63,694.88
£15,631.00	Net Assets / Liabilities	£19,089.28
£15,631.00	Total Reserve Funds	£19,089.28



For and on behalf of
FirstPort Property Services Limited
Thursday 30th November 2023

Beckets Grove Ph2 (Wyndham)

Notes to the Accounts for the year to 31 December 2022

1. Accounting Policies

The accounts are prepared on an accruals basis and in accordance with the provisions in the lease and/or transfer document.

2. Bank Account

Monies maintained by FirstPort Property Services are held by way of a statutory trust, in an interest bearing no notice designated client bank account at Barclays Bank Plc., 49-51 Northumberland Street, Newcastle upon Tyne, NE1 7AF under the title, FirstPort Property Services Limited Client Service Charge account for Beckets Grove Ph2 (Wyndham). This is in accordance with Section 42 and Section 42A of the Landlord and Tenant Act 1987.

3. Taxation

For the tax year 2022/2023 HMRC have confirmed that there would be no tax liability on interest earned of less than £500 for each tax year. Where the interest earned is in excess of £500, tax of 20% is due on the total interest earned.

As a result tax has been provided for 20% of the interest received during this period and the remainder moved to the reserve fund.

4. Reserve Funds for Longer Term Maintenance

	Balance Brought Forward	Provision for the year	Interest Received (net of tax)	Contribution (from) Reserves	Total
Equipment Replacement Reserve	4,003.00	1,340.00	-	-	5,343.00
General Reserve	11,628.00	1,480.00	638.28	-	13,746.28
£	15,631.00	2,820.00	638.28	-	19,089.28

The reserve funds have been established to provide a contribution to items of exceptional expenditure.

Exceptional costs may be offset on the Income & Expenditure account with a transfer from the reserve fund. If there are insufficient funds then the costs will remain as a charge to the Income & Expenditure account or an additional levy may be charged to raise the additional funds prior to, or at the time of the cost being incurred.

All the reserves in hand within a schedule will be available for any exceptional expenditure, subject to the timing and urgency of other future works.

5. 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 £1,709.64 exist in respect of this issue. Any over/under accrual will be credited/charged to the service charge accounts when this issue is resolved.

6. Audit Fee Narrative

In the prior year accounts preparation fee and audit fees were shown as one balance under the narrative "Accountancy Fees". In the current year accounts these have been shown separately under narratives "Accounts Preparation Fees" and "Audit/Accounts Certification Fee" respectively.

7. Statement of Income

FirstPort Property Services, including companies that have the same parent company, have earned income from your service charge during the year on the following expenditure:

Management Fees
Accounts Preparation Fees
Insurance
Company Secretarial Fees