

OUR REF: V4
YOUR REF:

22 October 2021

Dear Resident

The Annual Accounts for The Copse & The Firs

Please find enclosed the accounts for the year ended 31 May 2021. These have been independently audited by BDO LLP and signed off by the Property Manager.

A summary of the accounts

As you will see in the accounts, the actual amount we've needed to spend was less than the amount we've already charged by £3238.95. As a result, there is a surplus in the accounts. To provide you with further information, I have included a summary of the key spend areas from the accounts in the detail of this letter.

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.

How is the deficit going to be paid for?

As summarised above, for some schedules we have had to spend more than was originally budgeted this year and therefore need to make an additional charge to cover this. We have invoiced your account with your share and have enclosed your invoice or credit note with the accounts.

If your invoice is more than £10...

Even if you pay by Direct Debit, you will need to make arrangements to pay. That's because your current payment plan won't include this extra amount. There are a number of ways to pay and you will find these on your invoice.

You and your neighbours all contribute to your development's service charge, which remains important to pay at this time because this covers the services your building needs throughout the year including insurance, maintenance, repairs, upkeep of communal facilities and contribution towards your building's reserve fund. Without sufficient funds we risk not being able to continue to deliver these services, so it's really important that we continue to collect service charge payments.

There may be some disruption at the moment due to Coronavirus, however we are planning ahead to catch up with any delayed projects wherever possible, based on the Government advice. As always, we will address any under or overspend in service charge funds at the end of the financial year.

We appreciate that there may be some services that you have not received, such as a missed window clean, and you will not be charged for a visit which has not taken place. This will be adjusted in your end of year accounts.

Your Property Manager has continued to work with contractors, helped customers with their queries and is planning ahead to catch up on any delayed services at your development as lockdown restrictions are eased. As such, your dedicated development bank account still needs sufficient funds to cover planned service charge spend for your building throughout the year.

We understand that the current situation has presented challenges for many people across the country. If you're worried that you're going to struggle to pay your service charge invoice because of Coronavirus, please email our credit control team on collections@firstport.co.uk.

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 of our development bank accounts are completely independent of the trading accounts of any of the FirstPort group companies. Our development bank accounts are all with Barclays; we made this switch in 2016 as part of our continued commitment to sourcing the best rates and benefits for our customers.

The service charge you pay helps us to take care of your development. The money you pay goes into a bank account set up especially for you and your neighbours to make sure there's enough money to pay for the work your building needs. If you don't pay your service charge on time it doesn't affect FirstPort as a business, but it does affect your development and your neighbours. If there aren't enough funds in your development's bank account because of non-payment of your service charge this may mean we have to postpone jobs that need doing and impacts our ability to keep your development in good order and to the standards you would expect.

Your Property Online

If you haven't already, we recommend signing up to Your Property Online, our easy to use customer portal. It's free to sign up and you can pay online, view your statements and balance, register for e-billing, receive updates from your property manager and track major works and repairs. Just visit: myaccount.firstport.co.uk

Find out more

If you would like further information, we recommend taking a look 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: <https://www.firstport.co.uk/residents-help-and-advice>

When contacting us please include your 11-digit customer reference number so we can easily locate your account.

Yours sincerely

Pauline Marsh
Property Manager
FirstPort Property Services

The Copse & The Firs
Service Charge Accounts
for the year ended 31 May 2021

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Independent auditor's report to the Managing Agent of The Copse & The Firs

Opinion

We have audited the service charge accounts of The Copse & The Firs for the year ended 31 May 2021, which comprise the income and expenditure account for the year then ended, the balance sheet as at 31 May 2021, and the notes to the service charge accounts. The service charge accounts have been prepared by the Managing Agent in accordance with the accounting policies set out in note 1 to the service charge accounts.

In our opinion, the service charge accounts of The Copse & The Firs for the year ended 31 May 2021 are prepared, in all material respects, in accordance with the accounting policies set out in note 1 to the service charge accounts.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including ISA (UK) 800. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the service charge accounts section of our report. We are independent of the Managing Agent in accordance with the ethical requirements that are relevant to our audit of the service charge accounts in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - basis of accounting and restriction on distribution and use

We draw attention to Note 1 to the service charge accounts which describes the basis of accounting. This report is made solely to the Managing Agent in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Managing Agent those matters we are required to state to them in an auditor's report 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 audit work, for this report, or for the opinions we have formed.

The service charge accounts are prepared to assist the Managing Agent to fulfil the requirements under the terms of the lease. As a result, the service charge accounts may not be suitable for another purpose. Our report is intended solely for the Managing Agent and should not be distributed to or used by parties other than the Managing Agent, other than expressly permitted by the terms of our engagement letter.

Our opinion is not modified in respect of this matter.

Managing Agent's responsibility for the accounts

The Managing Agent is responsible for the preparation of these service charge accounts in accordance with the accounting policies set out in Note 1 and for such internal control as the Managing Agent determine is necessary to enable the preparation of service charge accounts that are free from material misstatement, whether due to fraud or error. The Managing Agent is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the service charge accounts

Our objectives are to obtain reasonable assurance about whether the service charge accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these service charge accounts.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BDO LLP
Chartered Accountants
Southampton
United Kingdom

22 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number 0C305127)

The Copse & The Firs

Income and Expenditure Account for the Year Ended 31 May 2021

Prior Year Actual		Actual	Estimate
Income			
118,873.90	Service Charge Income	126,151.28	126,085.00
£118,873.90	Total Income	£126,151.28	£126,085.00
Expenditure			
S1 Estate			
612.60	Monitoring Service	565.48	600.00
1,462.75	Insurance - Estates	957.88	1,319.00
423.12	Electricity	355.63	700.00
24,091.31	Grounds Maintenance	24,270.72	26,000.00
652.20	Door Entry Systems	-	-
3,784.02	General Maintenance	4,193.81	6,500.00
100.00	Insurance Excess	100.00	-
-	Playground Facilities	3,084.60	4,000.00
28,114.00	Management Fees	29,125.71	29,126.00
2,690.03	Accounts Preparation Fee	2,786.98	2,787.00
545.90	Audit Fees	557.91	530.00
329.16	Legal & Professional Fees	102.00	300.00
1,131.00	Health & Safety	93.60	-
63,936.09		66,194.32	71,862.00
4,000.00	Contribution to Reserves	4,000.00	4,000.00
£67,936.09	Net Expenditure S1 Estate	£70,194.32	£75,862.00
S2A Block 2-18 Maplehurst CI			
3,860.83	Insurance	4,165.33	3,988.00
1,203.69	Electricity	633.66	1,300.00
288.00	Window Cleaning	288.00	-
1,594.92	Communal Area Cleaning	1,372.92	1,400.00
4,084.08	Grounds Maintenance	5,536.08	4,500.00
570.00	Fire Systems Maintenance	144.00	550.00
192.00	Door Entry Systems	454.22	1,500.00
2,520.00	General Maintenance	2,659.00	3,000.00
2,920.00	Management Fees	3,025.20	3,025.00
17,233.52		18,278.41	19,263.00
4,000.00	Contribution to Reserves	4,000.00	4,000.00
£21,233.52	Net Expenditure S2A Block 2-18 Maplehurst CI	£22,278.41	£23,263.00
S2B Block 19-27 Maplehurst CI			
2,945.55	Insurance	3,238.63	3,043.00
369.51	Electricity	278.14	350.00
48.00	Window Cleaning	48.00	-
1,468.68	Communal Area Cleaning	1,372.68	1,400.00
6,283.20	Grounds Maintenance	7,735.20	6,500.00
144.00	Fire Systems Maintenance	336.00	350.00
-	Door Entry Systems	141.78	1,000.00
982.80	Gates & Barrier	3,204.60	1,500.00
748.20	General Maintenance	2,962.00	1,500.00
1,643.00	Management Fees	1,701.60	1,702.00
14,632.94		21,018.63	17,345.00
3,000.00	Contribution to Reserves	3,000.00	3,000.00
£17,632.94	Net Expenditure S2B Block 19-27 Maplehurst CI	£24,018.63	£20,345.00

The Copse & The Firs

Income and Expenditure Account for the Year Ended 31 May 2021

Prior Year Actual		Actual	Estimate
	S4 Commercial Units		
915.20	Insurance	1,542.57	1,523.00
172.56	General Maintenance	388.80	500.00
<u>1,183.00</u>	Management Fees	<u>1,226.40</u>	<u>1,226.00</u>
2,270.76		3,157.77	3,249.00
<u>1,250.00</u>	Contribution to Reserves	<u>1,250.00</u>	<u>1,250.00</u>
£3,520.76	Net Expenditure S4 Commercial Units	£4,407.77	£4,499.00
	S5A Courtyard 61-65 Pinewood		
240.00	Gates & Barrier	-	350.00
-	Redecorations	3,616.80	-
<u>87.00</u>	Management Fees	<u>90.00</u>	<u>90.00</u>
327.00		3,706.80	440.00
<u>50.00</u>	Contribution to Reserves	<u>50.00</u>	<u>50.00</u>
377.00	Total Expenditure	3,756.80	490.00
-	Contribution from Reserves	<u>(3,616.80)</u>	<u>-</u>
£377.00	Net Expenditure S5A Courtyard 61-65 Pinewood	£140.00	£490.00
	S5B Courtyard 67-87 Pinewood		
446.71	Electricity	555.06	400.00
<u>316.00</u>	Management Fees	<u>327.60</u>	<u>327.00</u>
762.71		882.66	727.00
<u>50.00</u>	Contribution to Reserves	<u>50.00</u>	<u>50.00</u>
£812.71	Net Expenditure S5B Courtyard 67-87 Pinewood	£932.66	£777.00
	S5C Courtyard Chapel Anvil		
188.48	Electricity	247.06	150.00
<u>87.00</u>	Management Fees	<u>90.00</u>	<u>90.00</u>
275.48		337.06	240.00
<u>50.00</u>	Contribution to Reserves	<u>50.00</u>	<u>50.00</u>
£325.48	Net Expenditure S5C Courtyard Chapel Anvil	£387.06	£290.00
	S5D Courtyard 70-82 Pinewood		
213.59	Electricity	294.80	300.00
<u>202.00</u>	Management Fees	<u>208.68</u>	<u>209.00</u>
415.59		503.48	509.00
<u>50.00</u>	Contribution to Reserves	<u>50.00</u>	<u>50.00</u>
£465.59	Net Expenditure S5D Courtyard 70-82 Pinewood	£553.48	£559.00
£112,304.09	Total Expenditure - all Schedules	£122,912.33	£126,085.00
£6,569.81	Surplus/(Deficit)	£3,238.95	-

The Copse & The Firs

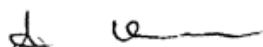
Balance Sheet as at 31 May 2021

2020		2021
1,503.53	Service Charge Debtors	3,062.47
19,914.60	Sundry Debtors and Prepayments	19,719.01
<u>126,403.78</u>	Bank Balance	<u>129,895.42</u>
147,821.91		152,676.90
13,007.30	Service Charge Creditors	20,667.48
23,871.86	Creditors and accrued expenses	15,234.51
<u>6,569.81</u>	Surplus for the year to be distributed	<u>3,238.95</u>
43,448.97		39,140.94
<u>£104,372.94</u>	Net funds at 31 May 2021	<u>£113,535.96</u>

Represented by :-

<u>£104,372.94</u>	Reserve funds for longer term maintenance (Note 4)	<u>£113,535.96</u>
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The balance sheet was approved on behalf of FirstPort Property Services Limited on - 22 October 2021



The Copse & The Firs

Notes to the Accounts for the year to 31 May 2021

1. **Accounting Policies**

The accounts are prepared on an accruals basis.

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 The Copse & The Firs. This is in accordance with Section 42 and Section 42A of the Landlord and Tenant Act 1987.

3. **Taxation**

A Service Charge Trust has been established by Section 42 of the Landlord & Tenant Act 1987 and the Lease. 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%

4. **Reserve Funds for Longer Term Maintenance**

Schedule or Block Name	Balance Brought Forward	Provision for the year	Interest Received (net of tax)	Contribution (from) Reserves	Total
S1 Estate	37,241.47	4,000.00	117.68	-	41,359.15
S2A Block 2-18 Maplehurst Cl	28,226.65	4,000.00	89.20	-	32,315.85
S2B Block 19-27 Maplehurst Cl	22,197.50	3,000.00	70.14	-	25,267.64
S4 Commercial Units	11,331.63	1,250.00	35.81	-	12,617.44
S5A Courtyard 61-65 Pinewood	3,689.62	50.00	11.66	(3,616.80)	134.48
S5B Courtyard 67-87 Pinewood	447.67	50.00	1.41	-	499.08
S5C Courtyard Chapel Anvil	618.96	50.00	1.96	-	670.92
S5D Courtyard 70-82 Pinewood	619.45	50.00	1.96	-	671.41
	£ 104,372.94	12,450.00	329.82	(3,616.80)	113,535.96

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. **Income from Keys or Fobs**

Within the cost head Door Entry Systems in S2A is a credit amount of £10 that relates to the income from the re-charging of fobs. The original purchase cost was charged to this cost head in a previous financial year.

Within the cost head Gates & Barrier in S2B is a credit amount of £76 that relates to the income from the re-charging of gate remotes. The original purchase cost was charged to this cost head in a previous financial year.

Within the cost head General Maintenance in S2A, S2B and S4 are credit amounts of £20, £35 and £30 respectively that relate to the income from the re-charging of parking permits. The original purchase cost was charged to this cost head in a previous financial year.

6. **Fair Processing Notice**

Appropriate information we hold may be shared with legal advisers, collection agents, service providers, contractors and others providing property management services to FirstPort Property Services. Also those who are affected by the information we hold.

This information includes copy correspondence we receive from and send to others.

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