

OUR REF:39221  
YOUR REF:

21 September 2021

Dear Resident

### **The Annual Accounts for EDENWOOD**

Please find enclosed the accounts for the year ended 31 March 2021. These have been independently audited by BDO LLP and signed off by the property manager.

#### **Property Manager's Comments**

During this service charge period we have carried out a variety of works to the play area, roof leaks and various gate repairs.

During the coming financial year a tree survey has been commissioned which will serve as a guide for future tree maintenance and when permission needs to be sought from the local council.

Looking forward, in the blocks the internal redecorations are due during 2022/2023 along with looking to replace the carpet in communal areas.

#### **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 £9,734.41. 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.

The main costs incurred this year are summarised below:

#### **Insurance**

The insurances for the estate, block and gates increased and was more than the initial budget estimate. The increase in insurance is across the industry and is a result of 'market hardening'. We do research the market for the most competitive quotes

#### **Electricity**

The electricity costs across the development has been slightly lower than the estimated budget figures for this year. Please be reminded, the cost at the end of the year is always based on actual usage.

The communal supplies are with EDF as we have negotiated a preferential rate using FirstPort's buying power. These savings are always passed directly on to you as the customer.

### **Playground facilities**

This cost heading had a slight overspend this year due to the health & safety identified remedial works to the play equipment. This is an ongoing expenditure items and is likely each year there will be high expenditure against this heading.

### **General Maintenance**

General maintenance costs is a tricky area of expenditure to forecast due to the ad-hoc nature of the works required. Although not overspent during this year, we have done a lot of repairs work ranging from roofing repairs, bollard installation, repairs to numerous lighting bollards, play area and footpath fencing repairs, new street signage.

### **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. This is detailed on the enclosed schedule 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.

### **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.

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](mailto:collections@firstport.co.uk).

If you haven't already, we recommend signing up to our easy to use customer portal. It's 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, 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 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

A handwritten signature in black ink, appearing to read 'Pauline Marsh', written over a faint horizontal line.

Pauline Marsh

**Property Manager**  
**FirstPort Property Services**

**EdenWood**  
**Service Charge Accounts**  
**for the year ended 31 March 2021**

**Contents**

Page	
1	Auditors' Report
2	Income and Expenditure
3	Balance Sheet
4	Notes to the Accounts



## **Independent auditor's report to the Managing Agent of EdenWood**

### **Opinion**

We have audited the service charge accounts of EdenWood for the year ended 31 March 2021, which comprise the income and expenditure account for the year then ended, the balance sheet as at 31 March 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 EdenWood for the year ended 31 March 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

BDO LLP  
Chartered Accountants  
Southampton  
United Kingdom

02 September 2021

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

## Edenwood

### Income and Expenditure Account for the Year Ended 31 March 2021

Prior Year Actual		Actual	Estimate
<b>Income</b>			
87,316.02	Service Charge Income	98,113.66	98,177.00
-	Tenant Interest Charged	23.50	-
<b>£87,316.02</b>	<b>Total Income</b>	<b>£98,137.16</b>	<b>£98,177.00</b>
<b>Expenditure</b>			
<b>S1 Estate</b>			
679.36	Monitoring Service	679.36	680.00
-	Insurance	-	1,333.00
6.13	Insurance - Terrorism	6.11	-
256.75	Insurance - Engineering	267.48	309.00
1,289.36	Insurance - Estates	1,335.47	860.00
98.83	Electricity	138.55	130.00
11,784.72	Grounds Maintenance	12,880.58	15,000.00
3,289.93	General Maintenance	7,093.35	8,000.00
-	Insurance Excess	250.00	-
1,758.00	Playground Facilities	4,689.60	3,000.00
23,889.00	Management Fees	24,749.00	24,749.00
3,747.00	Accounts Preparation Fee	3,909.50	3,897.00
530.00	Audit Fees	573.81	504.00
277.56	Legal & Professional Fees	108.00	-
93.60	Health & Safety	-	-
47,700.24		56,680.81	58,462.00
<b>£47,700.24</b>	<b>Net Expenditure S1 Estate</b>	<b>£56,680.81</b>	<b>£58,462.00</b>
<b>S2 Courtyard</b>			
572.16	Grounds Maintenance	252.16	650.00
-	General Maintenance	306.00	1,000.00
572.16		558.16	1,650.00
500.00	Contribution to Reserves	500.00	500.00
<b>£1,072.16</b>	<b>Net Expenditure S2 Courtyard</b>	<b>£1,058.16</b>	<b>£2,150.00</b>
<b>S3 Sewage Pump Williams Way</b>			
299.56	Insurance - Engineering	312.05	290.00
158.23	Electricity	137.45	380.00
-	General Maintenance	-	1,000.00
-	Plant & Machinery	-	3,000.00
457.79		449.50	4,670.00
2,000.00	Contribution to Reserves	2,000.00	2,000.00
<b>£2,457.79</b>	<b>Net Expenditure S3 Sewage Pump Williams Way</b>	<b>£2,449.50</b>	<b>£6,670.00</b>

## Edenwood

### Income and Expenditure Account for the Year Ended 31 March 2021

Prior Year Actual		Actual	Estimate
	<b>S4 Block</b>		
-	Insurance	-	3,995.00
185.28	Insurance - Terrorism	191.25	-
3,663.20	Insurance - Buildings	3,926.81	-
598.66	Electricity	502.35	650.00
384.00	Window Cleaning	384.00	385.00
1,029.60	Communal Area Cleaning	1,027.20	1,200.00
3,391.20	Grounds Maintenance	3,864.17	4,500.00
1,191.60	Fire Systems Maintenance	966.92	950.00
489.60	TV Distribution System	-	-
1,331.64	General Maintenance	2,014.87	800.00
2,772.00	Management Fees	2,872.07	2,872.00
<hr/>		<hr/>	<hr/>
15,036.78		15,749.64	15,352.00
5,000.00	Contribution to Reserves	5,000.00	5,000.00
<hr/>		<hr/>	<hr/>
<b>£20,036.78</b>	<b>Net Expenditure S4 Block</b>	<b>£20,749.64</b>	<b>£20,352.00</b>
	<b>S5 Private Access way Area</b>		
274.77	Insurance - Engineering	286.24	293.00
784.61	Electricity	649.97	800.00
571.92	Grounds Maintenance	601.09	700.00
1,933.20	Gates & Barrier	3,927.34	6,000.00
-	General Maintenance	-	750.00
<hr/>		<hr/>	<hr/>
3,564.50		5,464.64	8,543.00
2,000.00	Contribution to Reserves	2,000.00	2,000.00
<hr/>		<hr/>	<hr/>
<b>£5,564.50</b>	<b>Net Expenditure S5 Private Access way Area</b>	<b>£7,464.64</b>	<b>£10,543.00</b>
<hr/>		<hr/>	<hr/>
<b>£76,831.47</b>	<b>Total Expenditure - all Schedules</b>	<b>£88,402.75</b>	<b>£98,177.00</b>
<hr/>		<hr/>	<hr/>
<b>£10,484.55</b>	<b>Surplus/(Deficit)</b>	<b>£9,734.41</b>	<b>-</b>
<hr/>		<hr/>	<hr/>

## Edenwood


### Balance Sheet as at 31 March 2021

2020		2021
1,047.86	Service Charge Debtors	1,478.59
1,502.90	Sundry Debtors and Prepayments	1,613.92
<u>145,499.96</u>	Bank Balance	<u>167,441.31</u>
148,050.72		170,533.82
5,521.77	Service Charge Creditors	20,710.54
3,568.82	Creditors and accrued expenses	1,985.91
<u>10,484.55</u>	Surplus for the year to be distributed	<u>9,734.41</u>
19,575.14		32,430.86
<u><b>£128,475.58</b></u>	<b>Net funds at 31 March 2021</b>	<u><b>£138,102.96</b></u>

Represented by :-

**£128,475.58**    **Reserve funds for longer term maintenance (Note 4)**    **£138,102.96**

The balance sheet was approved on behalf of FirstPort Property Services Limited on - 02 September 2021





## EdenWood

### Notes to the Accounts for the year to 31 March 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 EdenWood. 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	37,960.64	-	37.64	-	37,998.28
S2 Courtyard	6,079.75	500.00	6.03	-	6,585.78
S3 Sewage Pump Williams Way	19,317.27	2,000.00	19.15	-	21,336.42
S4 Block	61,815.67	5,000.00	61.29	-	66,876.96
S5 Private Access way Area	3,302.24	2,000.00	3.27	-	5,305.51
	<b>£ 128,475.58</b>	<b>9,500.00</b>	<b>127.38</b>	<b>-</b>	<b>138,102.96</b>

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. 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.

#### 6. 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