

Dear customer,

The annual accounts for KNIGHTS WOOD – ESTATE

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 January 2024 to 31 December 2024. I would like to offer you my reassurances that they have been fully audited by LPS Livingstone Audit Limited.

Summary of annual accounts

We have unfortunately needed to spend more money than originally planned, resulting in a deficit balance of **£29,531.94**.

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

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.

Grounds maintenance: the expenditure for grounds maintenance this year was slightly higher than the estimate. In addition to general grounds maintenance, bin/dog waste bin emptying and water feature maintenance and chemicals, we also completed some additional works which included:

- Water feature remedial works, including: UV lightbulb replacements, cabling repairs to feature lights, cable replacement
- Tree Survey carried out across the estate
- Supply and refill salt for 7x grit bins

The main overspend this year relates to a prior year adjustment for grounds maintenance. In 2023, only 5 of the expected 12 monthly invoices were received, and we accrued for the 7 missing months based on estimated costs. In the current financial year, we received a single invoice covering those outstanding visits, which exceeded the original accrual. The difference has been recorded as a prior year item. The invoice received included the following charges: Grounds maintenance (01/03/23 – 31/12/23) £25,500.00 & bin emptying service (01/02/23 – 31/12/23) £9,240.00

- **General maintenance:** Overall, these costs were lower than the estimate set. This can be a tricky area of expenditure to forecast due to the ad-hoc nature of the works required. During the year we carried out a number of general repairs, which included:
 - Supplying and installing 3x additional general waste bins £1020
 - Various paving and brickwork repairs £3,320
 - Acco gully repairs / replacement £5,634
 - Repair/rebuild steps off Admiral walk £5,820
 - Broken manhole / drain covers replaced and fixed £544
 - Surveyor fee for installation of new footpath £240

- Playground remedial works and equipment repairs carried out (£7,36044)
 - Door entry system repairs (Park & Regent House only) various remedial works carried out to main entrance doors.
- **Out of hours emergency support:** your development has access to an out-of-hours support line to report emergency repairs, and the cost comes under the 'monitoring service' heading within the accounts. The out-of-hours support line is now provided by Adiuvo, an industry leading and property management specific emergency response partner, and our customer service lines automatically divert to Adiuvo after office hours.

Frequently Asked Questions

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

- **What does my service charge pay for?** Service charges are not revenue - they are used to meet real expenditure and costs incurred, and any surplus or deficit is accounted back to you. 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 do you do with my 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.
- **Why has my service charge increased?** Over the past five years, service charges have consistently outpaced inflation. This rise is largely driven by substantial increases in the costs of building insurance, utilities, and the implementation of new safety regulations. To provide a clearer understanding, The Property Institute has published the Service Charge Index, which compiles data from various Property Managers. This index offers a detailed analysis of service charge trends and identifies key factors contributing to rising costs. You can read the report in full at: www.tpi.org.uk/industry-knowledge/property-management/tpi-service-charge-index-2024
- **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 4)
- **Can I manage my account online?** Easy to use and free to register, your online account My Home provides e-billing and updates about your property. You can track major works and repairs and view your statements and balance. Visit myhome.firstport.co.uk/ to register and find out more.

Fire safety information

The Fire Safety (England) Regulations 2022 made it a legal requirement for responsible persons of all multi-occupied residential buildings to provide residents with fire safety instructions. This information is available at www.firstport.co.uk/firesafety or by scanning the QR code. If you require the fire safety information in a different format, please contact your Property Manager.



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,

Beckie Douglas

Property Manager
FirstPort

Knights Wood - Estate
Service Charge Accounts
for the year ended 31 December 2024

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LPS Livingstone

Accountants' Report to the Managing Agent of Knights Wood - Estate

You have stated that an audit of the service charge accounts in accordance with International Standards on Auditing is not required for Knights Wood - Estate. In accordance with our engagement letter, we have examined the service charge accounts which comprise the Income and Expenditure Account, the Balance Sheet and the Notes to the Accounts in respect of Knights Wood - Estate for the year ended 31 December 2024 together with the books and records maintained by the Managing Agent in so far as they relate to Knights Wood - Estate 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 Report

In summary, the procedures we carried out with respect to the service charge accounts for the year ended 31 December 2024 were:

1. to check whether the figures contained in the service charge accounts were extracted correctly from the accounting records maintained by the Managing Agent;
2. to check, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected; and
3. to check whether all service charge monies for this property are held in designated accounts and the balances reconciled to the bank balance shown in the service charge accounts.

The procedures performed did not constitute an audit in accordance with International Standards on Auditing (UK and Ireland) and were not designed to provide any assurance regarding whether the amounts charged are a reasonable amount for the services, or whether those services were provided effectively.

Had we performed additional procedures or had we performed an audit or review of the service charge accounts 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.

Other Matters

We draw your attention to the following matters. Our opinion is not modified in respect of these matters:

- 1 Note 7 to the service charge accounts describing the all other creditors.
- 2 All Other Debtors – The balance sheet includes an amount of £17,588.63 due from FirstPort. FirstPort has undertaken to settle this balance upon request.

Report of Factual Findings

- (a) With respect to item 1 we 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. We have not verified if this is in accordance with the lease or agreed with the client. We have not reviewed whether the percentages applied to the expenditure for each part of the estate are appropriate.
- (c) With respect to item 3 we found that all service charge monies for the property were held in designated accounts, as set out in note 2, and that the balances reconciled to the bank balance shown in the service charge accounts.

Signed: LPS LIVINGSTONE
Dated: 01/09/2025

LPS Livingstone
Chartered Accountants
Wenzel House, Olds Approach
Tolpits Lane, Watford
WD18 9AB

33236 - Knights Wood - Estate

Income and Expenditure Account for the Year Ended 31 December 2024

Prior Year Actual		Actual 2024	Budget 2024
	Income		
223,087.03	Service Charge Income	237,213.14	237,208.00
-	Interest Received	280.65	-
£223,087.03	Total Income	£237,493.79	£237,208.00
	Expenditure		
	S1 Estate		
427.73	Telephone	427.68	-
861.49	Monitoring Service	1,567.18	504.00
6,437.76	Insurance	6,782.00	7,720.00
-	Insurance Engineering	347.15	1,000.00
225.76	Insurance Emp Liability	118.80	-
-	Insurance D & O	-	580.00
8,371.92	Electricity	6,936.68	8,000.00
220.81	Water & Sewerage	(4,341.87)	1,500.00
138,731.02	Grounds Maintenance	122,790.11	120,000.00
4,393.32	General Maintenance	17,915.03	18,000.00
-	Prior Year Items (Note 5)	34,740.00	-
1,557.36	Playground Facilities	7,360.44	1,500.00
764.00	Plant & Machinery	2,511.32	5,500.00
44,568.00	Management Fees	48,356.00	48,356.00
1,677.00	Accounts Preparation Fee	1,820.00	1,820.00
4,704.92	Audit/Accounts Certification Fee	1,889.84	1,190.00
-	Legal & Professional Fees	108.00	13.00
1,501.36	Company Secretarial Fees	1,129.66	1,075.00
2,136.57	H&S and Risk Assessments	214.32	450.00
18,000.00	Contribution to Reserve	20,000.00	20,000.00
£234,579.02	Total Expenditure S1 Estate	£270,672.34	£237,208.00
£234,579.02	Total Expenditure All Schedules	£270,672.34	£237,208.00
(£11,491.99)	Surplus / (Deficit) - 33236 -Knights Wood - Estate	(£33,178.55)	-

33236K - 1-12 Regent House

Income and Expenditure Account for the Year Ended 31 December 2024

Prior Year Actual		Actual 2024	Budget 2024
	Income		
21,404.66	Service Charge Income	22,773.16	22,773.00
£21,404.66	Total Income	£22,773.16	£22,773.00
	Expenditure		
	S2 Block K		
49.57	Monitoring Service	90.18	29.00
2,840.03	Insurance	2,498.48	3,150.00
463.76	Insurance Engineering	319.78	800.00
-	Insurance revaluation	720.00	-
1,461.48	Electricity	886.53	2,445.00
-	Water & Sewerage	-	150.00
580.80	Window Cleaning	580.80	480.00
1,248.00	Communal Area Cleaning	1,248.00	1,500.00
4,470.74	Lift Maintenance & Repair	1,580.40	1,600.00
1,346.40	Fire Systems Maintenance	2,282.12	725.00
984.00	General Maintenance	1,240.20	2,200.00
2,414.00	Management Fees	2,619.00	2,619.00
671.00	Accounts Preparation Fee	728.00	728.00
112.54	Audit/Accounts Certification Fee	1,889.83	1,190.00
13.00	Legal & Professional Fees	34.00	7.00
279.32	Company Secretarial Fees	210.17	200.00
1,269.00	H&S and Risk Assessments	96.00	450.00
4,500.00	Contribution to Reserve	4,500.00	4,500.00
£22,703.64	Total Expenditure S2 Block K	£21,523.49	£22,773.00
£22,703.64	Total Expenditure All Schedules	£21,523.49	£22,773.00
(£1,298.98)	Surplus / (Deficit) - 33236K -1-12 Regent House	£1,249.67	-

33236H - 1-12 Park House

Income and Expenditure Account for the Year Ended 31 December 2024

Prior Year Actual		Actual 2024	Budget 2024
21,404.66	Income Service Charge Income	22,773.16	22,773.00
£21,404.66	Total Income	£22,773.16	£22,773.00
	Expenditure S3 Block H		
49.57	Monitoring Service	90.18	29.00
2,840.02	Insurance	2,498.48	3,150.00
463.77	Insurance Engineering	319.78	800.00
-	Insurance revaluation	720.00	-
1,461.47	Electricity	886.53	2,445.00
-	Water & Sewerage	-	150.00
580.80	Window Cleaning	580.80	480.00
1,248.00	Communal Area Cleaning	1,248.12	1,500.00
2,970.00	Lift Maintenance & Repair	380.40	1,600.00
2,606.40	Fire Systems Maintenance	1,816.33	725.00
966.00	General Maintenance	1,758.60	2,200.00
(48.00)	Prior Year Items	-	-
2,414.00	Management Fees	2,619.00	2,619.00
671.00	Accounts Preparation Fee	728.00	728.00
112.54	Audit/Accounts Certification Fee	1,889.83	1,190.00
13.00	Legal & Professional Fees	34.00	7.00
279.32	Company Secretarial Fees	210.17	200.00
1,269.00	H&S and Risk Assessments	96.00	450.00
4,500.00	Contribution to Reserve	4,500.00	4,500.00
£22,396.89	Total Expenditure S3 Block H	£20,376.22	£22,773.00
£22,396.89	Total Expenditure All Schedules	£20,376.22	£22,773.00
(£992.23)	Surplus / (Deficit) - 33236H -1-12 Park House	£2,396.94	-
(£13,783.21)	Total Surplus / (Deficit) - 33236	(£29,531.94)	-

Knights Wood - Estate

Balance Sheet as at 31 December 2024

2023		Notes	2024
Assets			
94,239.44	Customer Debtors - Service Charge		55,942.96
6,988.85	All other Customer Debtors		70,428.09
13,783.21	Deficit for the Period		29,531.94
5,175.49	Prepayments		15,652.67
64,354.00	All other Debtors		17,588.63
91,647.23	Cash At Bank		55,839.78
£276,188.22	Total Assets		£244,984.07
Liabilities			
40,280.91	Customer Creditors - Service Charge		37,324.28
1,513.63	Supplier Creditors		11,974.50
78,710.72	Accruals		17,582.25
62,014.39	All other Creditors	7	61,312.79
£182,519.65	Total Liabilities		£128,193.82
£93,668.57	Net Assets / (Liabilities)		£116,790.25
£93,668.57	Reserve Funds for Longer Term Maintenance	4	£116,790.25

Knights Wood - Estate

Notes to the Accounts for the year Ended 31 December 2024

1. Accounting Policies

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

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 Knights Wood - Estate.

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. For the tax year 2023/2024 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 any tax creditors previously held that are no longer required have been released and included in the current year interest received.

No confirmation of the tax treatment for 2024/2025 tax year has been received from HMRC, so tax has been provided for 20% of the interest received during this period.

4. Reserve Funds for Longer Term Maintenance

Schedule or Block Name	Balance Brought Forward	Provision for the year	Interest Received (net of tax)	Reserve Fund Expenditure - General	Total
S1 Estate	62,086.86	20,000.00	1,481.65	(3,598.80)	79,969.71
S3 Block H	17,531.71	4,500.00	418.38	-	22,450.09
S2 Block K	14,050.00	4,500.00	335.29	(4,514.84)	14,370.45
	£ 93,668.57	29,000.00	2,235.32	(8,113.64)	116,790.25

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.

The amounts paid direct from reserves represent exceptional costs that would otherwise be charged as an Income & Expenditure account item.

5. Prior Year Items

	S1 Estate	Total
Grounds Maintenance costs relating to prior year	34,740.00	34,740.00
Total	£ 34,740.00	34,740.00

6. Audit / Accounts Certification Fee

Please be informed that this cost heading continues to reflect the fees for the independent accountant providing services to the service charge accounts. There has been no change to the scope of work provided by the independent accountant from the prior year but, due to a change to our system, fees previously disclosed as Audit Fees or Accountants' Fees are now described as Audit / Accounts Certification Fee.

7. All Other Creditors

Within the cost heading All Other Creditors is an unknown balance of £60,043.26 (2023: £60,043.26) this balance has been outstanding since 2021 and FirstPort is investigating this balance. The balance will remain under Other Creditors pending further investigation.

8. 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

9. Demand in Advance

The service charge demand relating to the next year issued before the year end has been excluded from service charge debtors. Amounts received before the year end relating to the following year have been included in service charge creditors. This treatment has been adopted to ensure comparability of accounts from year to year.