

ILLUSTRATION ONLY. The building and every figure on these pages are invented, to show what a board receives.

Example Court, Chelmsford

For the directors of Example Court Management Company Limited. 12 flats. Written from the service charge accounts for the year to 31 March 2026 and the budget for 2026 to 2027, which you sent us. Nothing else was seen.

01 What you pay to be managed

WHO	A YEAR, VAT INCLUDED	A FLAT
Your agent now (from your accounts)	£4,320	£360
Firm A (named, with the web address, on a real check), published fee	£3,960	£330
Firm B, published fee	£3,600	£300
Essex Block Management, published fee	£3,456	£288

Your fee is at the upper end of what firms publish for a block this size. A fee is only part of the cost of an agent, so read it with section 02.

02 What was charged on top of the fee

CHARGE IN YOUR ACCOUNTS	YEAR TO 31 MARCH 2026
Company secretary service included in our fee	£450
Preparing the year-end accounts pack included in our fee	£600
Fee for running the roof repair consultation (10% of the works)	£1,150
Out of hours telephone line	£180
Handling one insurance claim	£250
Sundry administration	£320
Total on top of the fee	£2,950

That is £246 a flat, so the agent cost the building £606 a flat in all, not £360. Some of these are normal. The test is whether each one appears, with its price, in the list of additional charges in your management agreement.

Ask in writing: please show us where each of these charges is set out in our agreement, and the price given there.

03 Buildings insurance

The premium was £9,840, which is £820 a flat, up 18% on the year before (£8,340). The accounts do not say who placed it, whether other insurers were asked, or what anyone earned for arranging it.

Ask in writing: what commission or other payment did you, or any company connected to you, receive on our insurance last year? When were other insurers last asked to quote? What is the date of the rebuilding cost valuation the cover is based on?

04 The reserve fund

The fund stood at £14,200 at the year end, £1,183 a flat, with £3,000 going in each year. The roof repair took £11,500 from it. We saw no plan of what the building will need over the next ten years, so there is nothing to say whether the yearly contribution is the right figure or a guess.

Ask in writing: do we have a ten year maintenance plan for the building, who wrote it and when, and how was this year's reserve contribution worked out from it?

05 What the directors answer for

ITEM	WHAT WE COULD SEE
Company accounts and confirmation statement	Both filed on time, from the public record at Companies House.
Service charge accounts to leaseholders	Signed nine months after the year end. Good practice is within six.
This year's budget	Issued three weeks after the year began. It should arrive before.
Fire risk assessment	A cost of £420 appears two years ago and nothing since. Ask for the date of the current written assessment and the list of actions still open.
Where the money is held	The accounts do not name the bank account. Ask for a statement in the building's name at the year end date.

06 Three questions for your agent, whoever manages you next

1. What did you and your connected companies earn from this building last year in total, fee and everything else?
2. When does our agreement allow us to give notice, and how long is the notice?
3. Who is our named manager, how many buildings do they look after, and when did they last visit ours?

If you would like a figure from us. Full management of Example Court would be £3,456 a year, £288 a flat, inclusive of any VAT or relevant taxes: a named manager and four site visits a year. We take no commission on your insurance. Our switching pack, with the notice letter and the handover checklist, is free at essexblockmanagement.co.uk/switching-pack.

Samuel Milne

MTPI AssocRICS. Director, Essex Block Management

This note is general information written only from the documents named above. We have not seen your leases or your management agreement and have not inspected the building, so it is not legal advice and not advice on what your leases allow. Comparison fees are those the firms publish themselves, checked on the date shown. Essex Block Management Limited, registered in England and Wales, company number 16363555. Registered office: Unit 3, Kingsdale Business Centre, Regina Road, Chelmsford, Essex CM1 1PE. Regulated by RICS, firm number 932779.

