



Private & confidential

BPHA
Bedford Heights
Manton Lane
Bedford
MK41 7BJ

Your ref: Service charges 26

Our Ref: NS/SB/BPHA

22 September 2026

Dear Board Members

**Agreed-upon Procedures Report of KPMG LLP to BPHA (the
“Landlord”/“Managing Agent”) of the properties listed in Appendix 1 (the
“Properties”) of factual findings in relation to the service charge statement for
the year ended 31 March 2026**

**Purpose of this Agreed-upon Procedures Report and Restriction on Use and
Distribution**

In accordance with the terms of our engagement letter dated 15 September 2026, we have performed those procedures agreed with the Landlord/Managing Agent and set out below in relation to the attached service charge statement in respect of the Properties for the year ended 31 March 2026 (the “Statement”).

Our report has been prepared for the Landlord/Managing Agent, solely in accordance with the terms of our engagement and so may not be suitable for any other purpose. It has been released to the Landlord/Managing Agent on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Landlord/Managing Agent’s own internal purposes) or in part, without our prior written consent.

We consent to its disclosure in full to any tenants occupying the Properties but without accepting or assuming any responsibility or liability to any such tenants in connection with our work for the Landlord/Managing Agent or our report made to the Landlord/Managing Agent.

Our report was designed to meet the agreed requirements of the Landlord/Managing Agent determined by the Landlord/Managing Agent’s needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Landlord/Managing Agent for any purpose or in any context. Any party other than the Landlord/Managing Agent who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

The Landlord’s/Managing Agent’s Responsibilities

The Landlord/Managing Agent has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Landlord/Managing Agent is responsible for the subject matter on which the agreed-upon procedures are performed.

Our Responsibilities

Our engagement was undertaken in accordance with International Standard on Related Services 4400 (Revised) *Agreed-upon Procedures Engagements* (“ISRS 4400



(Revised)”) issued by the International Auditing and Assurance Standards Board (“IAASB”) and having regard to Tech 03/11 *Residential Service Charge Accounts* published jointly by the professional accountancy bodies with ARMA and RICS.

An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Landlord/Managing Agent, and reporting the factual findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Management

We have complied with the ethical requirements in the ICAEW Code of Ethics issued by the Institute of Chartered Accountants in England and Wales. We are the statutory auditor of BPHA and are independent of BPHA as defined in the FRC Ethical Standard issued by the Financial Reporting Council.

Our firm applies International Standard on Quality Management (UK) 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (“ISQM (UK) 1”), issued by the Financial Reporting Council (“FRC”), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Factual Findings

The procedures performed were as follows:

- Obtain the master reconciliation excel document from management and make a selection of 1 lease per scheme or block and confirm that these have been signed.
- Check the arithmetical accuracy of the row within the master reconciliation excel document for 75 properties with at least 1 property being selected per scheme.
- Agree the income included in the Master reconciliation for 25 shared ownership – including retirement: 25 Right to Buy, and 25 insurance only properties to the housing management system of the Landlord.
- Obtain the master reconciliation excel document showing the expenditure per category. For expense categories titled Grounds Maintenance, Fire Safety, Cleaning, Electricity, Managing Agents Fee, Insurance, and Major repairs and make a selection of 25 rows within each category. Obtain breakdowns of these expenditure values and select one item of expenditure to vouch to support documentation from each of the selected rows. Consider if the expenditure has been correctly analyzed in the service charge category of expenditure, account



and accurately recorded including recalculating and prepayments or accruals for items invoiced before or after the year end.

- Obtain the master reconciliation excel document showing the expenditure per category. For the expense category of Block Repairs select 25 rows and obtain a breakdown of these expenditure values and select one item of expenditure from each of the selected rows to vouch the to the job ticket on the housing management system confirming the costs are recognized in the correct period and for the correct value.

We were not required to, and did not, carry out any procedures as to either the reasonableness of the costs included within the Statement or the standard of the services or works provided.

We report our factual findings below:

- With respect to procedure 1,2,3,5 we found no exceptions.
- With respect to procedure 4 we found 1 property (out of the 25 sampled for Managing Agent services) where the expenditure recognised within the global reconciliation file did not agree to the underlying supplier invoice. The recorded expenditure was understated by £4 due to an apportionment calculation error.

Yours faithfully

KPMG LLP

KPMG LLP
Chartered Accountants