9057

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**CHI/00ML/LIS/2012/0088**
Property	:	**Steyne Mansions, Steine Street, Brighton, East sussex, BN2 1TE**
Applicants	:	**(1) Charles Hallet (Flat 1)** **(2) Olivia Webb (Flat 2)** **(3) Dawn Tointon (Flat 3)** **(4) Ali Rigby (Flat 4)** **(5) Rob Sandercock (Flat 5)** **(6) Mick Landmann (flat 6)**
Representative	:	**In person**
Respondent	:	**Southern Amusements**
Representative	:	**Mr Williams of Counsel**
Type of Application	:	**Section 27A and 20C of the Landlord & Tenant Act 1985**
Tribunal Members	:	**Mr I Mohabir LLB (Hons), Tribunal Judge** **Miss C D Barton BSc MRICS** **Mr T W Sennett MA FCIEH**
Date and venue of Hearing	:	**25-26 April 2013** **The Holiday Inn, Brighton** **Reconvene on 28 May 2013**
Date of Decision	:	**24 July 2013**

DECISION

Introduction

1. This is an application made by the Applicants under section 27A of the Landlord and Tenant Act 1985 (as amended) ("the Act") for a determination of their liability to pay and/or the reasonableness of various service charges for the years ended 23 June 2009 to 23 June 2012.

2. The Applicants are the lessees of the 6 residential flats in the building. The building is also comprised of separate commercial premises known as 126-128 St James's Street.

3. By a headlease dated dated 17 November 2003, the (then) freeholder, Birkswell Holdings Ltd, granted a lease to the tenant, Welbeck C P, in respect of the commercial premises.

4. Subsequently, it seems that Ionic Ltd acquired the freehold interest from Birkswell Holdings Ltd and the Respondent took an assignment of the commercial lease from Welbeck C P.

5. By an underlease dated 7 December 1997, the Respondent then granted a lease to Waremoss Ltd in respect of the commercial premises situated at 128 St James's Street.

6. There are two types of residential underleases granted in respect of the flats owned by the Applicants. Flats 2, 4 and 6 presently hold under the "original" underlease granted. The "new" underlease is held by Flats 1, 3 and 5. These are made between Ionic Ltd (freeholder), the Respondent (as intermediate landlord) and the lessee.

7. The contractual liability of the lessees differs as between the "old" and "new" underleases. Flat 1, 4 and 6 are required to pay a service charge contribution at a fixed contractual rate of 20%. Flat 1 pays a contribution of 14% and flats 3 and 5 pay 13%. The "new" underleases provide the landlord with a discretion to apportion the service charge

liability on an appropriate and fair basis. The Tribunal was told that this had been calculated by the Respondent having regard to the floor area within each of the respective flats. This method of apportionment is not challenged by the Applicants.

8. The managing agent of the building is Countrywide Estate Management ("Countrywide") and the present Property Manager is Mr Kevin Baker. After many years of discontent on the part of the Applicants regarding the overall management of the building, especially in relation to the repair and maintenance, and the lack of transparency and/or accountability by Countrywide regarding service charge expenditure generally, they made this application to the Tribunal.

The Law

9. The relevant legal provisions are set out in the Appendix to this decision.

Hearing

10. The hearing commenced on 25 April 2013, following an earlier internal and external inspection of the building, and continued on the following day. The Applicants appeared in person and were primarily represented by Mr Sandercock and Mr Landmann. The Respondent was represented by Mr Williams of Counsel.

11. Each of the Applicants had prepared a factual witness statement, which was treated as their proof of evidence. Save for Mr Rigby and Ms Tointon (who were not called as witnesses) each of the Applicants gave supplemental evidence in chief and were cross-examined by Mr Williams. In the main, they asserted that the building had been mismanaged by Countrywide in relation to various heads of service charge expenditure and historic neglect, especially regarding roof repairs.

12. The witnesses called on behalf of the Respondent were Mr Grummitt, a Chartered Surveyor, who had been involved with the property since 2002

and had an intimate knowledge of the building, and Mr Baker, the present Property Manager.

13. For the reasons given below, it is not intended to repeat here the evidence given by each the witnesses.

Decision

14. This is perhaps a convenient point to preface the Tribunal's decision with some observations about this case.

15. It was beyond doubt that a complete breakdown in trust had occurred between the parties. This in turn had led to the Applicants putting the Respondent to proof on almost every item of service charge expenditure where often there was no more than a minor discrepancy of the figures involved. The Tribunal was, therefore, required to undertake what was in effect a forensic accounting exercise for each of the relevant years concerned. This was not a proportionate use of the Tribunal's time and resources. Indeed, in many instances the evidence provided by either party was unclear and uncertain. Consequently, the Tribunal was often obliged to adopt an inquisitorial role and the findings of fact made were somewhat summary in nature with the Tribunal "doing the best it could" in the particular circumstances of this case.

16. Of course, as this is the Applicants' application, the primary burden of proof was on them to establish a *prima facie* case. Upon doing so, there was reverse burden on the Respondent to prove its case.

17. Both parties had, helpfully, completed the Scott Schedule annexed to this decision, which sets out the heads of expenditure challenged by the Applicants with a summary of the basis for the challenge and the Respondent's reply. The Tribunal's determination in relation to each matter is set out in the last column of the schedule.

Section 20C & Fees

18. The Applicants had also made an application under section 20C of the Act for an order that the Respondent be disentitled from recovering any costs it had incurred in these proceedings.

19. In the Tribunal's judgement, the (admitted) management failures on the part of Countrywide over a number of years were the main reason for the apparent mistrust that has occurred between the parties and gave rise to this application. It follows that there was sufficient justification on the part of the Applicants in bringing this application. A great deal of the information and disclosure sought by the Applicants had not been provided by Countrywide until during the course of these proceedings. Had this been done earlier, they might have been avoided or raised fewer issues. Consequently, the Tribunal concluded that it was just and equitable to make an order under section 20C of the Act preventing the Respondent from recovering any of the costs it had incurred in these proceedings.

20. For the same reasons, the Tribunal also makes an order under Regulation 9 that the Respondent reimburse the Applicants the fees of £500 they have paid to the Tribunal to have the application issued and heard.

Appeals

21. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.

22. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.

23. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.

24. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.

Appendix of relevant legislation

Landlord and Tenant Act 1985

Section 18

(1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
   (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
   (b) the whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose -
   (a) "costs" includes overheads, and
   (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19

(1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period -
   (a) only to the extent that they are reasonably incurred, and
   (b) where they are incurred on the provisions of services or the carrying out of works, only if the services or works are of a reasonable standard;

   and the amount payable shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 27A

(1) An application may be made to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to -
   (a) the person by whom it is payable,
   (b) the person to whom it is payable,
   (c) the amount which is payable,

(d) the date at or by which it is payable, and
(e) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An application may also be made to a leasehold valuation tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
(a) the person by whom it would be payable,
(b) the person to whom it would be payable,
(c) the amount which would be payable,
(d) the date at or by which it would be payable, and
(e) the manner in which it would be payable.

(4) No application under subsection (1) or (3) may be made in respect of a matter which -
(a) has been agreed or admitted by the tenant,
(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
(c) has been the subject of determination by a court, or
(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

Section 20

(1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—
(a) complied with in relation to the works or agreement, or
(b) dispensed with in relation to the works or agreement by (or on appeal from) a leasehold valuation tribunal.

(2) In this section "relevant contribution", in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.

(3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.

(4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—

(a) if relevant costs incurred under the agreement exceed an appropriate amount, or
(b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

(5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—
(a) an amount prescribed by, or determined in accordance with, the regulations, and
(b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.

(6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.

(7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.]

Section 20B

(1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.

(2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Section 20C

(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or the Upper Tribunal, or in connection with arbitration proceedings, are

not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

(2) The application shall be made—
(a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;
(aa) in the case of proceedings before a residential property tribunal, to that tribunal;
(b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property tribunal;
(c) in the case of proceedings before the Upper Tribunal, to the tribunal;
(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Leasehold Valuation Tribunals (Fees)(England) Regulations 2003

Regulation 9

(1) Subject to paragraph (2), in relation to any proceedings in respect of which a fee is payable under these Regulations a tribunal may require any party to the proceedings to reimburse any other party to the proceedings for the whole or part of any fees paid by him in respect of the proceedings.

(2) A tribunal shall not require a party to make such reimbursement if, at the time the tribunal is considering whether or not to do so, the tribunal is satisfied that the party is in receipt of any of the benefits, the allowance or a certificate mentioned in regulation 8(1).

Steyne Mansions 2009 (24 June 2008 to 23 June 2009)	Respondent's Reply	LVT Decision
1. Contributions by commercial element to upkeep of the building. *"The Tribunal's attention is drawn to the terms of the Leases in respect of the Applicant's covenant to pay a service charge. The relevant provisions of the Leases to which the Tribunal's attention is drawn are as follows* *1. Clause 1.6 which defines "Service Charge".* *2. Parts one and two of the Fourth Schedule which set out the Landlord's obligation and services to be provided under the Service Charge* *3. The definitions of "the Residential Property" and "the Reserved Property" contained in the Particulars to the Lease* *The Applicants would like the Tribunal to note that they are only obliged to contribute towards the Service Charge in respect of the Residential Property and the Reserved Property and which does not include the Commercial element of the building on the ground floor."* The commercial element of the building makes up a significant amount of the floor space of the building. This has prevented the leaseholders from forcing the sale of the freehold or taking the right to manage the building. We require an explanation of how the proportions are calculated with regards to the commercial and residential elements and what those proportions are. We believe it is unfair that the leaseholders are responsible for the full costs of repairs to the building which directly benefit the commercial element as well. We believe that a proportion of these costs should be taken by the commercial element (also the head lessee – Southern Amusements)	Each leaseholder pays a proportion of the service charge as per the terms of their Lease. We attach herewith marked "KB5" a unit apportionment checklist which confirms what percentage are payable. In relation to point 1 our clients solicitors have confirmed that the residential tenants are due to pay for all repairs that are required to their part of the building which includes the main structural walls roofs etc. We have undertaken major repairs to the remainder of the building (at great cost) and have not requested payment from the residential tenants as it is not their responsibility. We appreciate we trade from the ground floor but the leases of the residential tenants confirm they are responsible for everything from the first floor joists upwards and we do not have to contribute towards the costs in relation to those areas.	Save for a mere assertion otherwise, the Applicants had adduced no evidence that the service charge expenditure had included the cost of repairing and maintaining the commercial premises on the ground floor. As Mr Williams correctly submitted, the residential leases expressly and clearly defined the extent of the residential property in respect of which the Respondent is obliged to provide the services set out in the 4th Schedule, the costs of which are recoverable as relevant service charge expenditure. It was also clear that the residential leases make the lessees liable to contribute for the entire cost of any roof works. Accordingly, there was no basi upon which the Tribunal could alter the present apportionment o the Applicants' service charge liability. Therefore, matters of fairness are not relevant.
2. Time of reporting final accounts. These accounts were finally delivered on 24-Aug-10 - 14 months after the end of the accounting year. The Section 20b notice of expenditure was delivered on 17th Dec 2009. The figures on the Section 20b are not the same as the final accounts.	The Section 20B covers the late accounts as it was sent within 6 months of the year end. The Section 20B would not be the same as this is impossible to know as the final accounts had yet to be completed. We attach herewith marked "KB6" a copy of the Section 20B that was issued in relation to this year end. Accruals and prepayments will not always bear direct relationship to any particular invoice. This is a calculation made by the auditors based upon an invoice total and the relevant periods that are outside of the accounting period.	The time the final accounts were served is not relevant provided the Respondent served a section 20B Notice in time. This was accepted by the Applicants. Similarly, the fact that the final figures do not accord with the figures in the section 20B notice is also not relevant. There is nothing in section 20B that requires a landlord to set out the final liability of the tenant. By definition, this is the reason why the landlord has to serve such a notice. All it is required to do is to put the tenant on notice as to the future liability. The Respondent's section 20B notice is, therefore, valid and no issue arises here. Pt 30. It is clear that there is a supply to the common parts. However, neither party provided any evidence as to the discrepancies between the individual invoices. There was no basis upon which the Tribunal was able to make a finding on these matters. In any event, the Tribunal's view was that the amounts involved are de minimis (approximately £2 per week) and it did not interfere with the amounts claimed.

	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed amount	SMLA Comments	Respondent's Reply	
3 Buildings Insurance	Nil	Nil		Nil	We require evidence the building including the residential flats were insured at this time. Although no insurance charge was placed through the service charge account in this year we ask the LVT to confirm no insurance charge is payable by the lessees.	We agree that no insurance charge was incurred, and therefore this is not relevant to this Application which seeks judgement on the reasonableness of service charge.	Nothing was charged for insurance in this year and the Tribunal has no jurisdiction. In the event that the property had not been insured, it may amount to a breach of covenant in respect of which the Tribunal also has no jurisdiction.

4							
Cleaning & Materials					The Section 20b notice does match the receipts supplied but in the final accounts the accruals are used to balance the figure with £62.98 but no receipt is provided in 2010 accounts and the amount is not similar in any way to the regular payments of £80+ We believe Countrywide is using accruals to balance the accounts without supporting evidence.	We attach herewith marked "KB7" cleaning invoices in relation to this year end. We also enclose marked "KB8" spreadsheets detailing the invoices included together with any accruals/prepayments. With regard to cleaners allegedly rushing to do work in 10 minutes could the applicant supply evidence of this conversation. A proper clean is delivered weekly, and we attach herewith marked "K89" a copy of the cleaning specification for this site. We believe the costs to be reasonable for a developmen of this size and the nature of the tasks carried out.	The section 20B has already been dealt with above and is repeated here. The Applicants had produced no evidence to support this and the Tribunal found no evidence of accruals having been made by the Respondent.
6 months @		£82.32			We believe the amount paid for the service delivered is too high and unreasonable. On discussion with the cleaner we were told that he had to rush and do the job in 10mins as he was parked on double yellow lines. We raised this with Countrywide and we were assured that this would be discussed with the cleaning company. We would like to see any correspondence between Countrywide and the company showing that this matter was addressed as we have not seen any improvement of this service.		From the Tribunal's inspection, it was clear that some cleaning of the common parts had been carried out, but it had not been carried out to a reasonable standard. If it was in fact being carried out on a weekly basis, the common parts would have been in a cleaner condition than the Tribunal found it on inpsection. Accordingly, the Tribunal found that the total expenditure was unreasonble and made a deduction of 50% of the cost for this year and each subsequent year to reflect this finding.
5 months @		£80.57			The amount charged would be reasonable if a proper clean was carried out each week but it is not. Please see attached a quote from a local cleaning firm which has identified a number of areas that need attention and the time it will take to get the communal areas back to a standard that would be expected for a communal area if cleaned properly.		
1 month @		£84.88					
Final Accounts	£1,044.63	£981.65	£62.98	£240 based on £20 per month for a total of 1hr's work of cleaning.			
Sec. 20b	£981.65			4 visits of 15 mins			

5							
Electricity	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed	SMLA Comments	Respondent's Reply	
Sec. 20b	£143.42						Dealt with above.
Electricity statement	Bill Credits		CW Paid Statements		Each bill has an amount circled with paid next to it. Some of these relate to the actual amount credited to the account but not all.		It is clear that there is a supply to the common parts. However, neither party provided any evidence as to the discrepancies between the individual invoices. There was no basis upon which the Tribunal was able to make a finding on these matters. In any event, the Tribunal's view was that the amounts involved are de minimis (approximately £2 per week) and it did not interfere with the amounts claimed.
7th August 2008	23/05/2008	£24.86	£36.00		Bill 07/05/09-31/07/09 cancelled - it states a credit note enclosed for accounting purposes but not included in documents supplied to us.		
6th November 2008	26/08/2008	£36.00					
	29/08/2008	£36.00	£38.89				
24th February 2009	Reminder		£25.18		We believe that the amount is not accurately measured or invoiced.		
8th May 2009	13/03/2009	£25.18	£43.35				

21st August 2009	15/05/2009	£43.35	£31.67				
		£140.53	£175.09				
6 **Fire Equipment**	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed amount	SMLA Comments	Respondent's Reply	
Final Accounts	£141.79	£141.79	£0.00	A proportion of this charge dependent on the percentage decided in point 1.	Notifications have not been received by any flat owner for fire alarm inspections for many years which would be normal procedure. The company named in the hallway as providing this service was dissolved on 3/01/2006. This charge is for an emergency call out. We believe that this is evidence of the building being poorly managed as there was no annual fire alarm inspection being carried out. We require evidence of all fire safety checks carried out during this time.	We attach herewith marked "KB11" a copy of the invoice in relation to this charge. We can also advise that we have requested all reports from the fire alarm contractors for works carried out from December 2008 to date.	This is more in the nature of a management complaint and is considered below under management fees.
Sec 20b	£141.79				The fire alarm system is for the whole building including the commercial element. The lease requires the lessees to contribute a service charge in respect of the residential property. The invoice should be apportioned between the service charge and the commercial element. This apportionment is referred to in point 1.		The section 20B and apportionment points have already been dealt with above and are repeated here.
7 **Entryphone**	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed	SMLA Comments	Respondent's Reply	
Final Accounts	£98.21	£206.02	-£107.81	£98.21 is agreed only if proof of attendance is provided.	Claimed in accruals this is pre-payment for following year yet the same receipt is supplied in 2010 accounts and the whole amount is used.	The £206.02 was the annual maintenance contract, invoice attached herewith marked "KB12". £107.81 formed part of the prepayment for the accounting period as previously advised. We believe this figure to be reasonable.	The Respondent had provided the relevant invoice to prove the actual expenditure of £206.21 and the Tribunal found this was sufficent evidence that this service had been provided. The Tribunal accepted the Respondent's explanation that the sum of £107.81 was a pre-payment. Accordingly, this was allowed as claimed.
Sec. 20b	£206.02				We believe that the accounting for this service is inaccurate. We also require evidence of the service being carried out as no leaseholder is aware of any service crew requiring entry to the apartments to test the handsets at any time.		The section 20B point has been dealt with above and this expenditure was expressly mentioned in the notice.
8 **Repairs and Maintenance**						Respondent's Reply	

					There are continued repairs to the roof which has been going on for over 10 years with the problems not being resolved. This dates back to before the 2003 section 20 repairs where a 15 year guarantee was supposed to be in place for works done. The fact that these repairs are carried out and paid for when they are obviously not fixing the problem we feel is unreasonable. We feel this is evidence of poor management of the building and has resulted in further expenses as the problem has not been dealt with properly. A more detailed summary is attached (Outline Summary of Roof Issues), all relevant letters will be submitted at disclosure and these will be referred to in the witness statements. Firstly recovery should be limited to the amounts on the invoices (£1941.61) and not the unsupported amount on the accounts of (£2048.01)	We attach herewith marked "KB13" copy invoices in relation to this head of expenditure. We can advise that we are missing an invoice totalloing £106.40 and unfortunately a further copy is not attainable.	The expenditure under this head was considered as a whole by the Tribunal. As explained earlier, it is not a proportionate use of the Tribunal's time and resources to forensically examine each and every item of expenditure, especially where some amounts can be regarded as de minimis. The Tribunal heard a large amount of evidence from the parties about this matter, which was largely concerned with the roof repairs and ancillary work. The Tribunal found Mr Grumitt to be an honest and credible witness and accepted without reservation his evidence as to the necessity and scope of the roof repairs and the dilapidated condition of the property generally. He has been intimately involved with the building for several years and was familiar with the ongoing problems of repairing and maintaining an old building. The other items of ad hoc expenditure did not strike the Tribunal as being unreasonable for an extensive and complex building of this nature. Accordingly, the Tribunal found the total expenditure claimed was reasonable.
Final Accounts	£2,048.01	£1,941.61	£106.40				The Tribunal accepted the Respondent's evidence that an invoice for £106.40 was missing and allowed this sum. The final accounts were sufficient evidence that the expenditure had been incurred.
Sec. 20b	£2,812.41						Dealt with above.
					Text in italics is a copy of what is stated on the receipt Text in standard script are our comments.		
30/06/2008	JW Shirley		£164.50	Contest	*Gain access to upper level roof. Clean out drains & gullleys. Rod out Fnowl L/H drain.* We contest this work as it is remedial work trying to deal with the ongoing problem of the poor state of the roof.	Works correctly paid as the works were to clear and rod out gullies	
13/08/2008	Pinnacle Ltd		£141.00	Contest	*For emergency repairs to downpipes and gutterings and mastic sealont works completed outside bathroom window of Flat 6.* This refers to an attempt to deal with a damp problem at the end of the hallway in Flat 6. We contest this as this work again is related to the poor works carried out in the 2003 works	Works not related to the original roof repair of 2003	
18/08/2008	JW Shirley		£207.98	Contest	*To gain access to front roof areas over St. James St. Repairs to cracks to parapet masonry silluwc? To same refix lead flashing.* Work that was done to a poor standard previously and consequently needed revisiting.	Works not related to the original roof repair of 2003	
24/08/2008	JW Shirley		£176.25	Contest	*Roof leak to public way staircase. gain access to lower roof, trace cause of water ingress. Seal gaps & joints to felt seal cracks to staunching of fire escape. Clean build up of silt .* We contest this as it is part of the poor works carried out on the roof from previous years.	Works not related to the original roof repair of 2003	
					to refix lock to main entrance door & refix overheod door vocuum closer supply new screw	Charge justified as the lock was refixed to the door	

01/09/2008	JW Shirley		£41.13	Contest	It is clear that the work was not carried out to a satisfactory level as a repeat visit was needed the following week.		
09/09/2008	JW Shirley		£94.00		*to call & remove worn night latch lock from main entrance door. Supply & fix yale night latch switch removed & duc reset?*	Charge justifeid as these works were different as the latch was replaced	
20/10/2008	SM Osborn		£165.00	Contest	*Flat 4 Cut out section of boxing to investigate for damp source in frant bedroom as instructed, and make good and re-ploster. Damp source located to a blocked roof gully and down pipe after gaining access thraugh flat 6 to raof area, clear aut gully pipe and remave all debris.* This problem was not resolved and the damp continued yet this invoice was paid.	Theses works were investigative and gulley clearance works and therefore the charge is justified.	
19/01/2009	ADM Ltd		£51.75	£51.75	*Repart af water through ceiling in Flat 2 Kitchen. On arrival, resident reported that no water had come through for several days. Checked area above in false ceiling. Nothing found. Also, flat above , where a new hot water cylinder was replaced recently. No leaks faund. Outside his flat is a stare cupboard surrounded by flat roaf and parapet walls, all of which are situated above the leak area. Access to this cupboard would be needed for further investigation.*	These works were investigative due to a report of a leak and therefore the charge is justified.	
27/02/2009	SM Osborn		£215.00	Contest	*Flat roafing repairs completed ta the abave property as detailed in my estimate doted 16/01/2009* Letter of 19/01/2009 requests access to area for investigation to assess what was needed yet a quote for works were outlined in a letter of 16/01/2009 yet this is not supplied. Which flat roof?	We are not able to supply the letter referred and as there are several areas of flat roof we are unable to confirm which one.	
01/04/2009	W.Smith & Sons		£140.00	Contest	*Make repair following leak.* We have no idea where this is far. Following previous call outs for leaks that are not being remedied we believe this is again additional callout for works related to poor management of the building. We require more detailed evidence from Countrywide for the specific job.	We are unable to confirm the exact area repaired.	
14/04/2009	SM Osborn		£265.00	Contest	*Flat 5 - Roofing works completed to the obove praperty as detailed in my estimate dated 02/04/2009 –* No estimate supplied so specific work unknown. We require more detail for what this work was for.	This invoice is in relation to rooking works and justified.	
9 Accountancy Fees	Country wide Accounts	Receipts Supplied	Difference	SMLA Proposed amount	SMLA Comments	Respondent's Reply	

				Nil	The invoice supplied to support the 2009 accounts relates to accountants charges for y/e 2008. The invoice is dated 01/08/2008. The Section 20b notice gives a figure of £105.75. No invoice has been supplied for accountancy charges to produce the y/e 2009 accounts.	We attached marked **"KB14"** a copy of the invoice totalling £105.75 in relation to this head of expenditure. The difference for the £293.75 is in relation to an accrual and has been previously advised as it is referred to on page 5 of the annual accounts for 2009 (please see **"KB3"** and **"KB8"**).	As to the accruals, the Tribunal accepted that the Applicants' liability to pay falls within each relevant service charge year. The basis of this challenge was simply that the Respondent had failed to provide receipts to prove the expenditure. The Tribunal considered that the fact that the accounts had been prepared was sufficient evidence that this expenditure had been incurred. Having regard to the extent and content of the accounts, the Tribunal found this expenditure to be reasonable and it was allowed as claimed.
Final Accounts	£399.50	£105.75	£293.75				
Sec 20b	£105.75				So charge passed through the account should be limited to £105.75 providing this charge was not passed through the y/e2008 account.		Dealt with above.
10 Professional Fees	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed amount	SMLA Comments	Respondent's Reply	
				Nil	There was no written evidence of the H&S survey - provided to the leaseholders. It cost £50 more than the survey in 2010.	The survey was carried out but leaseholders did not request to see it. Ths cost would be more than 2010 as this would have only been a desk top review as opposed to site visit. We attach herewith marked "KB15" a copy of the Health & Safety Survey, together with the invoice for the same. This is a legal requirement to ensure that the communal areas are compliant with relevant Health & Safety legislation.	The Tribunal was satisfied that the cost of the health and safety report was reasonable. The fact that it had not been provided to the Applicants is not relevant and does not affect their liability to meet this cost. There was no evidence that such a request had been made by any of the Applicants. Moreover, there is a positive legal obligation on the Respondent to have this survey carried out. Accordingly, this expenditure found to be reasonable and was allowed as claimed.
Final Accounts	£258.75	£258.75	£0.00				
Sec. 20b	£258.75				We feel we should not pay for a service that is not supported with the relevant documentation and is erratic in its cost and delivery. We require evidence of the H&S survey of the building for this year.		Dealt with above.
11 Manage-ment Fees						Respondent's Reply	
Final Accounts	£2,658.38	£898.88	£1,759.50		Summary states invoices not available. Receipt only supplied for 24/06/08-24/12/08 @ £898.88		
				Market Rate (2013) is £1050 +VAT pa We believe a reduction on this rate is needed due to the poor manage-ment	Firstly the management fees should be limited to the amount actually invoiced of £898.88 in any event.	We attach herewith marked "KB16" the three invoices in relation to this head of expenditure. In relation to our management we refer to a generic agreement and we attach herewith marked "KB17" an extract from this showing the 'Services' which are covered by our management fee. In addition we would carry out the usual requirements of the Residential Property Guide (RICS) and I attach herewith marked "KB18" an extract from the RICS guide paragraph 2.4 which sets out the duties of a management company. We therefore feel that the charges incurred are reasonable for the services provided.	As stated earlier, the large majority of the complaints made by the Applicants related to their general disatisfaction about the management of the building by Countrywide. In answer to question put by the Tribunal, Mr Baker, the present Property Manager, accepted there had been shortcomings regarding the management of the building and that this should be reflected in a reduction in an award of £175 including VAT for each of the years being considered in this applicaiton. This was not accepted by the Applicants who contended for a lower figure but could not say how much and on what basis. Using its own expert knowledge and experience, the Tribunal found the sum of £100 plus VAT to be reasonable. This finding also applies to each of the subsequent years.
					Secondly the fee of £2658.88 is unreasonable. It represents £443.06 per flat per annum (or £377.07. plus VAT @17.5%)		
					We feel that we have been over charged for this service.		
					In this case requests for work to be done to the building are delayed or ignored.		
					The accounts do not tally. There is no evidence of fire survey or H&S survey, no creation of a maintenance fund to pay for major works, no regular site visits or attempts to make repairs on windows etc.		
					We require evidence of appropriate correspondence to illustrate Countrywide's management of the building including attendance at the building.		
					We attach a quote obtained from a local agent which shows Countrywide's charges are much higher and are unreasonable. We would be happy to pay £175 +VAT per flat per annum but only if the managing agent actually did what they were instructed to do.		

Sec. 20b	£2,658.38				The attached summary gives examples of poor management and supporting letters will be supplied by the disclosure date. We enclose a copy of the surveyors report showing neglect of the building due to poor management.		Dealt with above.

Steyne Mansions 2010 (24 June 2009 to 23 June 2010)						Respondent's Reply	LVT Decision
1. Contributions by commercial element to upkeep of the building. See comments for 2009.						Please see our comments for 2009 year end point 1.	The Tribunal's findings for the previous year are repeated here.
						Respondent's Reply	
2. Time of reporting final accounts. These accounts were finally delivered on 07-Mar-10 - 9 months after the end of the accounting year. The Section 20b notice of expenditure was delivered on 6th Dec 2010. The figures on this summary are the same as the final accounts. Although the final account numbers are only achieved with accruals which bear no relation to any supporting receipts.						We attach herewith marked "KB20" a copy of the Section 20B that was issued in relation to this year end, and refer to our comments for 2009 year end point 2.	The Tribunal's findings for the previous year are repeated here.
3 **Buildings Insurance**	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed amount	Comments	Respondent's Reply	
				Contest	On 20th January 2010 the leaseholders received letters from the debt recovery department that there was a balance still outstanding on account for Recharged Expenditure Insurance. There had been no prior notice to this charge or explanation for what it was for. Invoices arrived with no warning or explanation. The amounts invoiced to leaseholders do not tally with the invoices supplied in 2011. Please see 2011 schedule for comments. We require a copy of all correspondence around the introduction of this charge and evidence of the insurance policy which explicitly identifies the residential element of the building being covered. As nothing has been included in the 2010 accounts for insurance the LVT is asked to confirm nothing is payable by the lessees for 2010 as it is included in 2011 accounts (see 2011 schedule)	This charge is not shown in the accounts, please refer to our responses for 2011.	The cost of buildings insurance for this year were £1,850, but appear in the service charge accounts for the year ended 23 June 2013 as a "prior year" expenditure. It was not necessary for the Tribunal to determine whether this expenditure was reasonable because it did not appear in the Respondent's section 20B notice and by reason of the limitation period imposed by that section in the Act it is irrecoverable.
	Invoiced in 2011	see 2011					
						Respondent's Reply	
4 **Cleaning & Materials**							
30/06/2009		£80.57		£240 based on £20 per month for a total of 1hr's worth of cleaning.	Accruals state £61.08 from 2010 and £62.98 2009 They seem to bear no relation to the monthly charges in the region of £82-£85 per month although Kevin Baker states the accruals relate to invoices received after the accounts were completed.	We attach herewith marked "KB21" cleaning invoices in relation to this year end. We also enclose marked "KB22" spreadsheets detailing the invoices included together with any accruals/prepayments. We also refer to the specification attached at "KB9" and our comments for the previous year.	The Tribunal repeats its findings and determination made in the preceding year for this expenditure as a whole.

31/07/2009					One of the receipts was supplied twice. We believe the amount paid for the service delivered is too high. On discussion with the cleaner we were told that he had to rush and do the job in 10mins as he was parked on double yellow lines. We raised this with Countrywide and we were assured that this would be discussed with the cleaning company. We would like to see any correspondence between Countrywide and the company showing that this matter was addressed as we have not seen any improvement of this service and the company is still employed.		
		£80.57		4 visits of 15 mins			
31/08/2009					The amount charged would be reasonable if a proper clean was carried out each week but it is not. Please see attached a quote from a local cleaning firm which has identified a number of areas that need attention and the time it will take to get the communal areas back to a standard that would be expected for a communal area if cleaned properly.		
		£80.57					
31/10/2009		£80.57					
30/11/2009		£80.57					
31/12/2009		£80.57					
31/01/2010		£82.32					
28/02/2010		£82.32					
31/03/2010		£82.32	Twice				
31/05/2010		£82.32					
	£893.05	£812.70	£80.35				
5				SMLA	Comments	Respondent's Reply	
Electricity	Country-wide Accounts	Receipts Supplied	Differ-ence	Proposed amount			
15-May-09				£58.21	These are the actual credits on account. They do not relate to the circled amounts stating paid. It is very confusing and unclear. We believe this is evidence of poor management of the building. We also question the cost as this seems a high amount for lighting, intercom and vacuum (1 hr a month)	We attach herewith marked "KB23" invoices in relation to this head of expenditure. The amounts that have CR against the amount are the amounts paid for the previous invoices and not a credit to the account. With regard the usage the power is also used for the fire alarm in addition to lighting, entryphone and power. We also refer to refer to "KB22" for details of accruals/prepyment.	
		£43.35					The Tribunals' determination for the preceding year are repeated here.
24-Aug-09				(Aug & Feb)	If the charge on 15/05/09 is a debit then it falls in the 18 month rule in that the section 20b notice was delivered more than 18 months after the date of this invoice.		
		£31.67					
09-Feb-10		£26.54					
	£98.96	£101.56	-£2.60				
6					We believe this shows poor management of the building. We require evidence of compliance with	We agree that no fire equipment charge was incurred, however a Health & Safety report was carried out. This is therefore not relevant to this Application which seeks judgement on	No expenditure has been claimed and this matter does not fall within the Tribunal's jurisdiction.

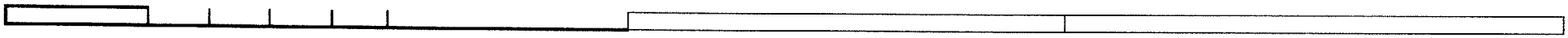
Fire Equipment					the Fire Safety Order.	the reasonableness of service charge.	
	NIL	NIL					
7					Account and receipt balance yet in 2009 & 2011 part of this sum is also used in accruals.		This is in the nature of a management failure and is considered as part of the management fees below.
Entryphone					We believe that the accounting for this service is inaccurate which shows poor management of the building.		
					We also require evidence of the service being carried out as no leaseholder is aware of any service crew requiring entry to the apartments to test the handsets at any time.	The £206.02 was the annual maintenance contract, invoice attached herewith marked "KB24", for the hire of the equipment as it is on a long term maintenance contract.	
	£206.03	£206.03	£0.00				The Tribunal accepted the Respondent's evidence and found this expenditure to be reasonable.
8				SMLA	Comments	Respondent's Reply	
Repairs and Maintenance	Country-wide Accounts	Receipts Supplied	Differ-ence	Proposed amount			
Final Accounts					There are continued repairs to the roof which has been going on for over 10 years with the problems not being resolved. This dates back to before the 2003 section 20 repairs where a 15 year guarantee was supposed to be in place for works done. There is no contribution from the commercial element of the building which directly benefits from these repairs. The fact that these repairs are carried out and paid for when they are obviously not fixing the problem we feel is unreasonable. We feel this is evidence of poor management of the building and has resulted in further expenses as the problem has not been dealt with properly. A supporting summary is attached as mentioned in 2009 schedule.	We attach herewith marked **"KB25"** copy invoices in relation to this head of expenditure.	
	£2,697.30	£2,697.30	£0.00	Nil			The Tribunal's finding and determination for the preceding year are repeated here.
					Text in italics is a copy of what is stated on the receipt Text in standard script are our comments		

03/07/2009	ADM Ltd	£55.20		Contest	*Report of water through ceiling of pharmacy. On arrival, staff reparted this happened a few days ago previously and had been dry since. Naw although the tenant in flat 1 above denies any spillage occurred, this does seem most likely. Left my contact details with the staff ta let me know if any mare problems arise.* Charles Hallett Leaseholder was invoiced directly for some of this.	Countrywide are not aware of any element of this invoice that has been charged to the leaseholder.	This does not appear to be within the Tribunal's jurisdiction because the cost was not a service charge expenditure, but was claimed personally against the tenant concerned.
06/10/2009	SPM Ltd	£86.25		Contest	*Check whole flat far damp/leaks nothing obvious found cast downpipe but this is still dry, tenant had flood from washing machine but not used naw.*	The invoice relates as stated to flat1	
25/07/2009	JMR Ltd	£230.00		Contest	*to carry out necessary roof repairs.* The work carried out by these contractors was substandard and all part of the ongoing issues with the roof.-	These repairs were carried out to stop the flow of water into the property and were carried out in all good faith but finding the source of a water leak can be extremely difficult and the repirs were carried out based upon a visual inspection.	
15/09/2009	Drain-ways	£136.00		Contest	*Call out, unblock & cleon all 6 dawnpipes, roof outlets, roof valleys of silt/rubbish etc. requested by John Butler.* All part of the same ongoing issue with the main problem not being addressed.	This cost is a reasonable cost as historically the property suffers from bird debris that blocks gutters and downpipes	
24/10/2009	JW Shirley	£201.25		Contest	*The 'receipt' supplied has ESTIMATE stated twice on the document - To gain safe access to raaf, clean all gullies outlets to drains.* Either way if work was done or not it is a repeat of work carried out previously and should not be charged.	It does appear that the estimate has been treated as an invoice. However, it being 5 weeks after the previous work to ublock the gullies it is quite likely areas may have been blocked by bird debris.	
13/11/2009	JW Shirley	£175.95		Contest	*Roof repairs - trace 4 leaking areas on roaf over Flat 6 repair and seal areas clean blocked drain outlet.* Again further repeat work not fixing the problem.	Cost of repairs to a different area to the previous. The area below the roof tanks was replaced in 2008	
03/12/2009					*to gain safe access to roof, trace cause of water leak to lounge ceiling. Weld? & stitch split asphalt to areas araund roof tank.*	Cost of repairs to a different area to the previous. The area below the roof tanks was replaced in 2008	

	JW Shirley	£120.75		Contest	Again further work to the roof not fixing the problem. Roof tanks replaced in 2008 and work not carried out was sub-standard.		
06/01/2010	Goldsmith Roofing Ltd	£96.35		Contest	*Flat 6 - carry out investigation into roof leak and carry out necessary repairs.* Mick Landmann believes Goldsmith didn't come and do the work even though they invoiced for it and he then arranged the following repair job with TE Skinner.	Countrywide do not believe that Goldsmith Roofing would have submitted an invoice without first attending.	
11/01/2010	TE Skinner	£95.00		Contest	*Sweep off roof, scrope off loose felt and dry area, fill and stick loose felt. Make good holes with bitumen paint.* Work paid for by Mick Landmann and then reimbursed by James Farrow at Countrywide. Again on going patching up of a major problem which is not being dealt with	Further repairs to try to stem the water leak into the property. It should be noted that this and a number of the prebvious repairs were carried out as remedial repairs. This was while a Section 20 Consultation procedure was carried out and being contested by the leasdeholders which led to considerable delays. We attach herewith marked "KB26" the paperwork in relation to the Section 20 procedure.	
12/01/2010	SPM Ltd	£258.50		Contest	*Flat 6 - fixed two leaks in pipes on flat roof including cutting out pipework and fixing new 22mm couplers and testing. Two men on site for health and safety on site from 4pm to 8.15pm.* Although there were two men, one came and did the repair and the other sat in the van. The guy doing the repair didn't seem to know what he was doing and took over 4 hours to complete a job that should have taken 30 mins max	We are satisfied with the level of work carried out and hence payment of the invoice was made. Any issues with the workmanship of the contractors should have been brought to our attention at the time.	
29/05/2010	Pinnacle Ltd	£329.00		Contest	*For emergency 'Flaexacryl' roof repairs, lead sealant works and clearing all main roof coverings of debris completed to the property.* Printed on Countrywide headed notepaper upside-down. Further stop gap repairs due to problem not being dealt with properly.	Further remedial repairs whilst Section 20 consultation carried out	
21/06/2010	Pinnacle Ltd	£82.25		Contest	*for applying 1no? Coat of white 'Flexocryl' fitterglass compound around the up stand of water tank housing completed to the main flat roof on the property.* Further evidence of the repairs carried out in 2008 not being done to a satisfactory standard.	This would appear to be for similar works previously carried out by J.W Shirley	
					None of these piecemeal attempts at repairs to the roof were prefaced with a proper investigation into the problem and as far as I (Mick) am aware no estimates were received before the commencement of works.	As previously stated a number of remedial works were carried out whilst a Section 20 consultation was carried out. We refer to "KB26".	
10/10/2009	Masons	£150.00		Contest	*Flat 4 - to repair and paint the n/e facing wall front bedroom* This is related to the damp problems with the roof.	We consider this a reasonable cost to be paid through the service charge	
20/08/2009	JW Shirley	£86.25		Contest	*Ease main front entrance door, refix hinge, refix lock & electric striking plate --* Work not done properly as called out again in January	This charge is considered reasonable as the further work referred to was some 5 months later	
05/01/2010	JW Shirley	£47.00			*to call & board up window to public way, remove loose glass and clean, seal to make safe.*		
07/01/2010					*ease and adjust front door to allow closing and locking*	This cost is considered is reasonable. Whilst comment was made that this work was not carried out correctly in August. However, the only works required again was easing of the	

	JW Shirley	£88.13		Contest	work not done properly in August.	door. This is a wooden door and would have alomost certainly swollen in the damp.	
27/04/2010	JW Shirley	£59.92			*to remove broken key from internal of lock supply & fix new night latch back plate & refix lock. Ease non-closing main entrance door.*		
08/05/2010	JW Shirley	£252.62			*to eose and refix 1st floor public way windows. Hack off broken glass, regloze in arctic to match existing. 2/ to repoir 2nd floor public way windows hack out broken glass reglaze in clear.*		
20/06/2010	JW Shirley	£146.88			*to replace missing stair risers to public way staircose vornish in to match. Secure loose risers to same.*		
		£2,697.30					
					We believe that we should not pay for piecemeal repairs that are not doing the job especially when there is a long standing history of this problem not being resolved? We believe this is evidence of poor management of the building. We believe the commercial element of the building should pay a proportion to the repairs to the fabric of the building that benefits them as well.		
9 **Accountancy Fees**	Country-wide Accounts	Receipts Supplied	Differ-ence	SMLA Proposed amount	Comments	Respondent's Reply	
	£464.13	None	£464.13	Nil	Reference to accruals for 2009 and 2010 but the numbers do not relate to the receipts. We believe we should not pay for accountancy that is not supported by appropriate receipts. We do not know what service charge year this charge relates to.	Accruals and prepayments will not always bear direct relationship to any particular invoice. This is a calculation made by the auditors based upon an invoice total and the relevant periods that are outside of the accounting period. We refer to the year end accounts attached at "KB19".	The Tribunal's finding and determination for the preceding year are repeated here.
10 **Professional Fees**							
H&S report		£205.63		£205.63	In 2012 a copy of the survey dated 17th May 2010 was supplied. No leaseholder was asked for access into the flats which we understand would be needed for a full report to be written.	We attach herewith the invoice and report in relation to the charge marked "KB27". The H&S report would have been only for those areas that are the responsibility of the landlord and therefore no access to the flats would be required.	This expenditure related to a health and safety and asbestos report. The Tribunal's findings and determination for the preceding year are repeated here.
Asbestos Report		£109.25		Nil	No evidence of the report being carried out or what the results showed.	We attach herewith the invoice and re-inspection register in relation to the charge marked "KB28".	See above.

Grumitt-Wade		£2,844.53		£500	GrummittWade have invoiced for a proportion (50% of 12% of the lowest bid) of a Section 20 notice that has not been carried out and we believe was over priced. We object to GrummittWade being paid this sum. We believe a figure of £500 should cover the cost of preparing the documents. We require a copy of all related correspondence with regards to this notice and the subsequent changes. Kevin Baker has told us that there is money still outstanding to be paid to GrummittWade but has not been able to clarify if this is for these invoices or one we expect to see in the 2013 accounts. He has used this outstanding balance as a justification for not carrying out further works on the building. We believe this is evidence of poor management of the building.	We attach herewith marked "KB29" a copy of the invoice for this sum. We are of the opinion that this a fair and reasonable charge. For a surveyor to charge a percentage is perfectly normal within the industry. It is also reaonable for 50% of the cost to be paid prior to the commencement of the works as the bulk of the work is in the inspection of the property and the preparation of the specification. With regard to correspondence relating to the Section 20 all correspondence on file is attached at "KB26".	The Tribunal determined that the professional fees of Mr Grumitt were reasonable. They were incurred in relation to the roof works, which the Tribunal has already found to be reasonably incurred. It follows, therefore, that the fee of Mr Grumitt as part of those works must also be reasonable.
24/7 cover 30/09/09		£51.75		Nil	This receipt is supplied in accounts for the previous year for a service we were never told about. When calling the number there is often no response. Please supply copy correspondence of when the leaseholders were informed about this service.	Please see attached invoices marked "KB30". This service was first started in 2005/6 and all records for those years have been lost. However, the cover has continued on an annual basis from then. Again, as there is no charge for this service in these accounts we do not find this relevant to the Application.	There was no charge for this item and ot does not fall within the Tribunal's jurisdiction.
24/7 cover 26/05/10		£70.50		Nil	We were never told about this service until we made some enquiries in 2012.	Please see comments above.	There was no charge for this item and ot does not fall within the Tribunal's jurisdiction.
	£3,281.66	£3,281.66	£0.00				
11 Management Fees	Country-wide Accounts	Receipts Supplied	Differ-ence	SMLA Proposed amount	Comments	Respondent's Reply	
	£934.13	£934.13	£0.00	Market Rate (2013) is £1050 +VAT pa We believe a reduction on this rate is needed due to the poor managem ent.	This is one invoice for 6 months from 24/12/09 to 23/06/10. The management fees should be limited to the amount actually invoiced of £934.13 in any event. We believe that the building has not been managed in an appropriate way and we contest the charges that we are paying for inaccurate accounting and poor management of repairs which is leading to the gradual decline in the state of the building and leading to greater charges in the future. We require evidence of appropriate correspondence to illustrate Countrywide's management of the building including attendance at the building. We attach a quote obtained from a local agent which shows Countrywide's charges are much higher and are unreasonable. We would be happy to pay £175 +VAT per flat per annum but only if the managing agent actually did what they were instructed to do.	We attach herewith marked "KB31" the invoice in relation to this head of expenditure, and refer to our comments for the previous year.	The Tribunal repeats its findings and determination made in the preceding year.



Steyne Mansions 2011 (24 June 2010 to 23 June 2011)						Respondent's reply.	LVT Decision
1. **Contributions by commercial element to upkeep of the building.** See 2009 schedule						Please see our comments for 2009 year end point 1.	The Tribunal repeats its findings and determination for the preceding year.
2. **Time of reporting final accounts.** These accounts were delivered on 22nd December 2011, exactly 6 months after the end of the accounting year. A Section 20b notice was delivered on 30th November the figures on this summary of accounts are the same as the final accounts but these figures are only arrived at with accruals that do not relate to invoices supplied.						We attach herewith marked "KB33" a copy of the Section 20B that was issued in relation to this year end, and refer to our comments for 2009 year end point 2.	The Tribunal repeats its findings and determination for the preceding year.
	Country-wide Accounts	Receipts Supplied	Differ-ence	SMLA Proposed amounts	SMLA Comments and Questions	Respondent's Reply	
3 **Buildings Insurance 2011**		£2,112.16		A propor-tion (as decided in point 1) of our quote of £2559.40 which is for the whole building.	We have repeatedly asked for a copy of the insurance policy confirming the residential flats are covered because the policy wording only refers very generally to the building. No confirmation has ever been received although we note the most recent policy has now been worded to include the flats. We have attached a copy of an alternative insurance quote which directly matches the insurance policy finally supplied by Countrywide. At £2559.40 it is almost half that of £4625.19 (2010) and £4400.33 (2011)	We attach herewith marked "KB34" invoices in relation to this charge. The insurance is arranged by the freeholder and neither client nor managing agent have the responsibility for this and the lessees should approach them directly with their queries. However, a brief look at the quotation supplied does not appear to be a like for like quotation. We have been assured by the freeholder as the policy refers to the building this does include the flats. We also enclose marked "KB34a" spreadsheets detailing the invoices included together with any accruals/prepayments.	The Tribunal found the buildings insurance premiums for 2010 and 2011 to be reasonable. The Tribunal accepted the evidence given by Mr Baker that the freeholder insures the property and then seeks an indemnity from the Respondent who in turn adds it to the service charge account. The Applicants did not establish a prima facie case to go behind the figures. As to the reasonableness of the premiums, the Tribunal was satisfied that the quote they had obtained was not on a "like for like" basis because the level of cover differed as the Respondent contended. Further and in the alternative, if the Respondent is entitled to be indemnified for this cost, it would be peverse for the Tribunal to go on to find that the cost is unreasonable. Accordingly, they were allowed as claimed.
		£323.76			Invoice of £323.76 states it is for VAT that should have been added to 2010 but has been added to 2011 charge. As we were not advised within 18 months of the charge being due we should not pay it.	The charge for £323.76 Vat was paid 31st August 2010 and is included in the June 2011 for which section 20 B had prior been issued The £323.76 is the Vat for the insurance for the period dec 09 to oct 10. This the vat at 17.5% of £1850.08. Section 20B was issued 5 months after the year end.	
	£2,435.92	£2,435.92	£0.00				
3 **Buildings Insurance 2010**	£1,850.09	£1,850.09	£0.00		Actual amount invoiced to leaseholders was £2322.70 as recharged expenditure. This amount does not relate to the receipts supplied even if the £323.76 is added to the correct year. We require Countrywide to explain how this charge was calculated. In any event the invoice is dated and was payable on 18/02/2010. The Section 20b notice which included a provision of £4286.01 was not served until 30/11/2011. The LVT is asked to disallow this charge.		
					Insurance is for the whole building and it should be apportioned in amounts decided in Sect 1. We have been apportioned 47% in 2010, 48% in 2011 and potentially 59% in 2012		

					We believe the buildings insurance premium unreasonably high for a building such as this. £4625.19 for a 10 month policy. We are invoiced 47% of the policy. How is this figure reached? In 2011 the proportion was 48%	With regard to the difference of percentages of 1% Countrywide only process the invoices as provided by the freeholder.	
					Why does the 2010 policy run for only 10 months and costs £400 more than the 12 month policy for the following year?	We are not sure how the figures were calculated The difference between the 10 month policy and the 12 month policy is only £61.68	
					We believe it is poor management for a letter to be sent with an invoice for Recharged Expenditure Insurance with no explanation of what it is for, why it has suddenly appeared and be told the amount is due immediately.		
					The collective invoices to the leaseholders amounts to £2322.70. The insurance invoice is £2173.85 (2010) Why?	The charge of £2322.70 was the recharge for the period 2008 to 2009.	
4 **Cleaning & Materials**	Country-wide Accounts	Receipts Supplied	Differ-ence	SMLA Proposed amounts	Comments and Questions	Respondent's Reply	
6 months @		£82.32		£240 based on £20 per month for a total of 1hr's worth of cleaning.	Accruals state £61.08 from 2010 and £66.39 2011. They seem to bear no relation to the monthly charges in the region of £82-£85 per month although Kevin Baker states the accruals relate to invoices received after the accounts were completed. We believe this is evidence of poor management.	We attach herewith marked "KB35" cleaning invoices in relation to this year end. We also enclose marked "KB36" a spreadsheet detailing the invoices included together with any accruals/prepayments. We also refer to the specification attached at "KB9" and our comments for the previous year.	The Tribunal repeats its findings and determination for the preceding year
4 months @		£84.07		4 visits of 15 mins	We believe the amount paid for the service delivered is too high. On discussion with the cleaner we were told that he had to rush and do the job in 10mins as he was parked on double yellow lines. We raised this with Countrywide and we were assured that this would be discussed with the cleaning company. We would like to see any correspondence between Countrywide and the company showing that this matter was addressed as we have not seen any improvement of this service and the company is still employed.		
1 month @		£86.59			The amount charged would be reasonable if a proper clean was carried out each week. (see notes on 2009)		
1 month @		£85.78					
	£1,007.88	£1,007.88	£0				
5 **Electricity**	Country-wide Accounts	Receipts Supplied	Differ-ence	SMLA Proposed amounts	Comments and Questions	Respondent's Reply	

					The electricity bill is for the commonway lighting and the vacuum cleaner when the hall and stairs are cleaned. Countrywide have only supplied electricity bills which evidence the payment of £47.81, yet the bills have various amounts ringed with paid written next to them but these bear no relation to the account amount of £144.62 We believe this is evidence of poor management.	We attach herewith marked "KB37" invoices in relation to this head of expenditure. We also refer to refer to "KB36" for details of accruals/prepyment, and our comments for previus years regarding usage.	The Tribunal repeats its findings and detemination for the preceding year.
23-Aug-10		£28.57			The electricity bill is for the commonway lighting and the vacuum cleaner when the hall and stairs are cleaned. Countrywide have only supplied electricity bills which evidence the payment of £47.81, yet the bills have various amounts nnged with paid written next to them but these bear no relation to the account amount of £144.62 We believe this is evidence of poor management.		
07-Dec-10		£19.24					
	£144.62	£47.81	£96.81	£47.81			
6 Fire Equipment	£160.80	£160.80	£0.00	A proportion of this charge dependent on the percentage decided in point 1.	Emergency call out. No standard cover/inspection We require evidence of maintenance of the fire system compliance with the Fire Safety Order. The fire alarm system is for the whole building including the commercial element. The lease requires the lessees to contribute a service charge in respect of the residential property. The invoice should be apportioned between the service charge and the commercial element. This apportionment is referred to in point 1.	We attach herewith marked "KB38" invoices in relation to this head of expenditure. Although the alarms for the residential and the commercial are linked the commercial units pay for the maintenance of their areas and the flats only pay for theirs. The invoice for £160.80 was for an unscheduled call out fee following a report of a fault.	The Tribunal accepted the Respondent's evidence and found that the cost related solely to the residential areas and that the cost was reasonable.
7 Entryphone	£212.67	£219.96	-£7.29	Nil	The accruals are being used to balance the receipt (£219.96) and the accounts (£212.67) yet the previous year the actual receipt is used.	We attach herewith marked "KB39" the invoice in relation to this charge and refer to the prepayments details on "KB36". Again, the cost is for the annual hire of the equipment and not for specific breakdowns of the system	This is a matter of accounting and does not fall within the Tribunal's jurisdiction.
					We believe that the accounting for this service is inaccurate which shows poor management of the building.		No figure appears here. However the accounts refer to expenditure of £212.67. To the extent that this sum is claimed, the Respondent has not proved the expenditure and it was disallowed.

					We also require evidence of the service being carried out as no leaseholder is aware of any service crew requiring entry to the apartments to test the handsets at any time.		
8 **Repairs and Maintenance**					The irony here is that there is no maintenance being carried out on the building although there were many areas which urgently needed attention and could have been dealt with on a rolling programme of repairs rather than one massive Section 20 notice. We require evidence for why there were no repairs carried out on the building during this year. A supporting summary of problems attached as mentioned in 2009 schedule.	We attach herewith marked "KB40" invoices in relation to this head of expenditure. No funds were available for repairs to be carried out and only were able to carry out some very minor repairs.	The Applicants do not specifically complain about the expenditure. Their complaint is that insuffiicient sums are being spent on repairs and maintenance. For this reason, the Tribunal finds the amounts claimed to be reasonble.
27/08/2010		£89.30		£89.30	*Refix stairway riser and handrail.*	This is in relation to the handrails in the communal areas and we deem the same to be reasonable.	
19/12/2010		£90.00		£90	*Hotwater vent leaking on roof*	This is in relation to a leak and we deem the same as reasonable.	
	£179.30	£179.30	£0.00				
9 **Accountancy Fees**	Country-wide Accounts	Receipts Supplied	Differ-ence	SMLA Proposed amounts	Comments and Questions	Respondent's Reply	
	£264.50	£370.13	-£105.63	Nil	When viewed in Eastbourne receipts for 2010 accounting @ £370.13 plus 2009 @ £364.25 were shown as part of the accounts. When the invoices were supplied in PDF format only the receipt for the 2010 accounts was supplied. Accruals state figures from 2009 and 2011 which do not relate to invoices. The accruals on page 5 of 2010 accounts state an accountancy invoice for year ended 2010 of £393.63.	We attach at "KB41 invoices in relation to this cost, and refer to "KB61" for detials of accruals/prepayments. Accruals and prepayments will not always bear direct relationship to any particular invoice. This is a calculation made by the auditors based upon an invoice total and the relevant periods that are outside of the accounting period.	The Tribunal repeats its findings and determination for the preceding year.
					We believe we should not pay for accountancy that is not supported by appropriate receipts. We believe this is evidence of poor management.		
10 **Professional Fees**	£2,591.21	£2,591.21	£0.00			We attach herewith marked "KB42" invoices in relation to this head of expenditure.	
02/07/2010		£2,432.81		Nil	GrummittWade have invoiced for a proportion of a second Section 20 notice that has not been carried out (the first being in 2010 accounts). We believe we should not pay for this. A fee of £500 may be more appropriate for the We require a copy of all related correspondence with regards to this notice and the subsequent changes. Kevin Baker has told us that there is money still outstanding to be paid to GrummittWade has not been able to clarify if this is for these invoices or one we expect to see in the 2012 accounts.	We are of the opinion that this a fair and reasonable charge. For a surveyor to charge a percentage is perfectly normal withinn the industry. It is also reaonable for 50% of the cost to be paid prior to the commencement of the works as the bulk of the work is in the inspection of the property and the preparation of the specification. However, we are currently investigating the invoices as we believe there may have been a duplication.	The Tribunal repeats its findings and determination for the preceding year.

					We believe there is evidence of poor management.		
07/04/2011		£86.40		Contest.	Safe4 document delivery and storage. If such a service is being charged for then we would expect all relevant documentation readily available without delay.	The payment made in respect of Safe 4 will be refunded	
19/05/2011		£72.00		Contest	24/7 Emergency Cover - We have finally been provided with a number after numerous requests only to find it doesn't work when we have a major problem with a leak in the building. We believe this is a charge for a service which does not exist as it should.	With regard to the 24/7 emergency number we dispute that it does not exist. Please see attached data capture sheet marked "KB43" produced by the helpline following a successful call to the service.	
11 Management Fees							
31/10/2010 4 months in one		629.48		Market Rate (2013) is	These are higher than the market average for such a building. Apart from the accounts not adding up we have had numerous examples of the building being poorly managed. We have evidence of repeated requests to deal with work not being attended to. The continual problems with the roof and the repeated repairs that don't fix the problem but are signed off and paid for.	We attach herewith marked "KB44" the invoices in relation to this head of expenditure, and refer to our comments for the previous year.	The Tribunal repeats its findings and determination for the preceding year.
30/11/2010		157.37		£1050 +VAT pa	We do not feel we should pay for a service that is not being delivered.		
31/12/2010		157.37		We believe a reduction on this rate is needed due to the poor management.	We require evidence of appropriate correspondence to illustrate Countrywide's management of the building including attendance at the building.		
31/01/2011		160.72					
28/02/2011		160.72					
31/03/2011		160.72					
30/04/2011		160.72					
31/05/2011		160.72					
	£1,868.00	£1,747.82	£120.18				

Steyne Mansions 2012 (24 June 2011 to 23 June 2012)						Respondent's reply	LVT Decision
1. **Contributions by commercial element to upkeep of the building.**						Please see our comments for 2009 year end point 1.	
See 2009							
2. **Time of reporting final accounts.**							
These accounts were delivered on 22nd October 2012, there are accruals that do not relate to invoices supplied. The major roof repairs carried out this year are not fully referenced.						Accruals and prepayments will not always bear direct relationship to any particular invoice. This is a calculation made by the auditors based upon an invoice total and the relevant periods that are outside of the accounting period.	The Tribunal repeats its findings and detemination for the preceding year.
	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed amount	SMLA Comments & Questions	Respondent's reply	
3 **Buildings Insurance**	£2,500	None	£2,500		The insurance policy was introduced two years ago. The premium is very high. The policy does not explicitly outline cover for the residential part of the building so we contest payment of it. We require evidence that the residential part of the building is part of the insurance policy. Please refer to 2011 accounts with reference to alternative quote. The policy summary quotes the cost as £4224.32. If we are to take the £2500 as our proportion it makes us responsible for 59% in contrast to 47% (2010) and 48% (2011). We seek determination on how the proportions are decided. As there is no invoice supplied there is no evidence that this amount has been invoiced or paid.	This charge is in relation to an accrual for the year end, please refer to point 5 of page 4 of the year end accounts.	The Tribunal repeats its findings and detemination for the preceding year Save for an assertion, the Applicants did not raise a prima facie case that the policy did not cover the residential parts of the building. Consequently, there was no basis for the apportionment they contended for.
4 **Cleaning & Materials**	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed amount	SMLA Comments & Questions	Respondent's reply	

11 months @		£86.59		£240 based on £20 per month for a total of 1hr's worth of cleaning	We believe the amount paid for the service delivered is too high. On discussion with the cleaner we were told that he had to rush and do the job in 10mins as he was parked on double yellow lines. We raised this with Countrywide and we were assured that this would be discussed with the cleaning company. We would like to see any correspondence between Countrywide and the company showing that this matter was addressed as we have not seen any improvement of this service and the company is still employed.	We attach herewith marked "KB46" invoices in relation to this head of expenditure. We can confirm that the accounts include an accrual of £68.37 and a prepayment from the 2011 accounts of -£66.39. We also enclose marked "KB46a" spreadsheets detailing the invoices included together with any accruals/prepayments.	The Tribunal repeats its findings and detemination for the preceding year.
1 month @		£89.18		4 visits of 15 mins	The amount charged would be reasonable if a proper clean was carried out each week. (see notes on 2009)		
2 misc		£14.52					
Total	£1,055.65	£1,056.19	£0.54p				
5	Country-wide Accounts	Receipts Supplied	Difference	SMLA	SMLA	Respondent's reply	
Electricity				Proposed amount	Comments & Questions		
30.08.11		£123.92			Countrywide have only supplied electricity bills which evidence payment yet the bills have various amounts ringed with paid written next to them but these bear no relation to the account amounts.	The electricity is also for the emergency lighting and the alarm. With regard to the total amount this is once again subject to prepayments and accruals. We attath herewith marked "KB47" invoices in relation to this head of expenditure. We can confirm that the accounts include an accrual of £102.69 and a prepayment from the 2011 accounts of -£74.64	The Tribunal repeats its findings and detemination for the preceding year.
21.11.11		£19.93			We also question the cost as this seems a high amount for lighting, intercom and vacuum (1 hr a month).		
	£135.00	£143.85	£12.85				
6	Country-wide Accounts	Receipts Supplied	Difference	SMLA	SMLA	Respondent's reply	
Fire Equipment				Proposed amount	Comments & Questions		
				The proportion that has been decided in part one.	There have been major problems with the fire alarm system this year. When trying to call the company advertised in the hallway we discovered they had ceased trading in 2006. It took many requests to get a satisfactory response from Countrywide and finally a full assessment of the fire alarm system was carried out. We believe this is evidence of poor management of the building and only carrying out works in response to the continued demands from the leaseholders.	Contracts are in place for the servicing of the fire alarm. The incorrect sign has now been replaced with one for the contractor responsible for the servicing. We attach herewith marked "KB48" invoices in relation to this head of expenditure. We can confirm that the accounts include a prepayment of -£320.86	This complaint is in the nature of a mangement failure and is dealt with under management fees.
					The charges are for the whole building including the commercial element of the building but the leaseholders are paying 100% of the charge. We believe this is unacceptable and not in accordance with the lease		The Applicants adduced no evidence that they were also paying for the costs relating to the commercial premises and the Tribunal found in those terms.

					It was not until there was a problem with the fire alarm that Countrywide appointed Pyrotec. We do not believe any contract was in place before this. The annual service charge is also very high for only 6 flats.		The Applicants adduced no evidence that the cost was unreasonable.
					We require evidence of compliance with the Fire Safety Order		This is not within the Tribunal's jurisdiciton.
29.11.11		£694.26			*detectors, log book, fire action sign*		
08.02.12		£528.00			*Annual Service Agreement for fire alarm and Emergency lighting inspections and testing.*		
13.02.12		£126.36			*Smoke detectors, Zone chart*		
	£1,028.36	£1,348.62	-£320.26		This amount does equal the amount that is stated only due to 'prepayments' for next year on the account.		The Tribunal repeats its findings and determination for the preceding year.
7	Country-wide	Receipts	Difference	SMLA	SMLA	Respondent's reply	
Entryphone	Accounts	Supplied		Proposed amount	Comments & Questions		
01.12.2011	£228.31	£236.78		Contest		Both the amounts and the relevant section of each invoice are mentioned for ease of reference.We do not beleieve that prepayments or accruals are evidence of poor management. The cost is for the annua hire of the equipment and not for specific breakdowns. We attach herewith marked "KB49" invoices in relation to this head of expenditure. We can confirm that the accounts include a prepayment of -£123.57 and an accrual of £115.10	The Tribunal repeats its findings and determination for the preceding year.This complaint is more in the nature of a management failure and is dealt with below.
					Rental cover for 01/01/2012 - 31/12/2012		
					Receipts from previous years being used as accruals but there is no consistency in how this is done. We believe that the accounting for this service is inaccurate which shows poor management of the building.		
					We also require evidence of the service being carried out as no leaseholder is aware of any service crew requiring entry to the apartments to test the handsets at any time.		
8	Country-wide	Receipts	Difference	SMLA	SMLA	Respondent's reply	
Repairs and Maintenance	Accounts	Supplied		Proposed amount	Comments & Questions		The Tribunal repeats its findings and determination for the preceding year.
	£1,679.92	£1,568.00	£111.92	74.4	There are continued repairs to the roof which has been going on for over 10 years with the problems not being resolved. A supporting summary is attached as mentioned in 2009 schedule.	We attach herewith marked "KB50" invoices in relation to this head of expenditure. We can confirm that the accounts include an accrual of £109.20.	
					Text in italics is a copy of what is stated on the receipt		
					Text in blue are our comments		
30.09.2011	N.P.EDE. Ltd	£64.20		Contest	*Attend site and clear the stairs of fallen plaster from the damaged ceiling .*	This is justified as the contractor did clear the hallways of the debris.	
					This due to water ingress all related to the poor repair of the roof.		
30.12.2011	D.J.Electrics Ltd	£74.40		£74.40	Checked all communal lights and switches. Replaced faulty lamp. Put new screw in switch. Picked keys up and returned. Test and leave working.	No comment	

?.01.2012	J.W.Shirley	£300.00		Contest	To gain safe access to roof drains of gully & hoppers to all levels & clean out all	It is standard practice to carry out annual clearance of drains, downpies and gullies.	
					Repeat work for on going problem		
05.01.2012	M Mills Odd Job	£790.00		Contest	*Repairs, plastering and redecoration area water damaged thraugh leaking raof at 6 Steyne Mansions. As per estimate of 25th Nov.*	Repairs to flat 6 following the water ingress from the roof. On insurance claim made as the insurance carries a excess of £1000.00.	
					Repairs due to consequences of lack of repair to roof.		
17.05.2012	Wireman Ltd.	£54.00		Contest	*Flat 4 Call to the above address due to water leak in the flat. Removed two wall lights and made cables safe. Loosened surface socket fram wall to stop water getting in. Turned off storage heater fuseboard. We will need to return when leak has been fixed.*	Works carried out following water ingress but not as a result of any defect in the roof. It was due to a cracked pipe within the fabric of the building.	
					Works due to consequences of lack of repair to roof.		
21.05.2012	J.W.Shirley	£91.20		Contest	*Flat 4 To deliver hired dehumidifyer to water damaged flat, collect an end of hire. Hired for 3 weeks.*	Water ingress not due to roof but cracked pipe within the fabric of the building.	
					As above – all related to lack of repair		
25.05.2012	D.J.Electrics Ltd	£36.00		Contest	*Meet KB to switch electrics back on. Refixed 2 X wall lights and 1 x socket after leak fram above.*	Justified cost to reinstate electricty to flat 4	
					As above – all related to the roof issues		
28.05.2012	J.W.Shirley	£156.00		Contest	*to gain safe access to rear canopy & clear gutters*	Justifiable cost to keep guttering clear of debris.	
					This work is not addressing the key problems.		
12.06.2012	Dockerills	£2.20		Contest	*Taken by T.E.Narkett 50 Stickers £60 but charged for £2 +VAT*	Health & safety labels to ensure hallway cupboards kept locked	
					What are these stickers for?		
	Not able to say only income from leaseholders referred to.	None		Contest	Finally there has been major work on the roof. We require copies of the invoice and receipt for this work as it has not been provided with the annual receipts. We require copy correspondence of all information relating to these works and how they were delivered. The leaseholders paid the full amount. We were told the works could not start until all the money was in.	Accountants have mentioned roof repair on page 2 of the accounts. Invoices are attached. Copies of section 20 consultation papers also attached.	
					We contest the charge for these works as they are a result of over 10 years of poor management. Had the issue been dealt with properly in the Section 20 works in 2003 these works would not have had been necessary.		
Major Roof Repair					A supporting summary is attached as mentioned in 2009 schedule.		
9	Country-wide Accounts	Receipts Supplied	Difference	SMLA	SMLA	Respondent's reply	
Accountancy Fees				Proposed amount	Comments & Questions		
18..11.11	£300.00	£288.00	£12.00	£288.00	For accounts ending 23rd June 2011	Accruals and prepayments will not always bear direct relationship to any particular invoice. This is a	The Tribunal repeats its findings and detemination for the preceding year.

					We believe we should not pay for accountancy that is not supported by appropriate receipts. We draw attention to the fact the accounts are wrong again.	calculation made by the auditors based upon an invoice total and the relevant periods that are outside of the accounting period. We attach herewith marked "KB51" invoices in relation to this head of expenditure. We can confirm that the accounts include an accrual of £300.00 and a prepayment from the 2011 accounts of -£288.00	
10	Country-wide Accounts	Receipts Supplied	Difference	SMLA Proposed amount	SMLA Comments & Questions	Respondent's reply	The Tribunal repeats its findings and determination for the preceding year.
Professional Fees	£633	£633		Contest	*Accepting instructions, writing a specification for roofing works at the above property, obtaining tenders, analysing tenders and recommending contractor.*	The invoice in relation to his is attached herewith marked "KB52", showing that roof works have been carried which SMLA confirm in their statement regarding Major Roof Repair.	
					We have not seen evidence of this work.		
					We have been told by Kevin that there are amounts outstanding but we have not been told what for specifically. The accounts suggest that GrummittWade have been paid in 2010 and 2011 but Kevin says this is under investigation.		
					We require clarification about this.		
11	£1,928.64	£1,928.64		Market Rate (2013) is	We contest the management fees as we have many examples of poor and inadequate or complete disregard for the management of the building. There have been major water leaks and problems with the fire alarm system.	The management fee was part of a budget applied on behalf of and with the approval of the client. We attach herewith invoices marked "KB53". With regard to evidence of correspondence to illustrate Countrywides Management, there would have been a minimum of 4 visits per year. However, the documentation now being used to record property visits was not in use at the time.	The Tribunal repeats its findings and determination for the preceding year.
Manage-ment Fees				£1050 +VAT pa	We require evidence of appropriate correspondence to illustrate Countrywide's management of the building including attendance at the building.		
				We believe a reduction on this rate is needed due to the poor manageme nt.			

12	£291.96	£288.00	£13.96		Evidence only of survey produced in May 2010. So we feel this contributes to the overall evidence that Countrywide are not managing the building correctly. Accounts do not match invoiced amounts.	A Health & Safety report was produced for 2012. The difference between invoiced and shown on the accounts is £3.96 and is referred to on Page 4 of the accounts. We attached herewith marked "KB54" the invoice in relation to this charge together with a copy of the report, and can confirm that an accrual of £3.96 was included in the accounts.	
H&S Survey							
13	£36.00	£36.00			This has never appeared on the accounts before. What exactly is this for?	This is a new cost associated with postage and printing. Please see the invoice attached marked "KB55".	
Disburse-ments							