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**RESIDENTIAL PROPERTY TRIBUNAL SERVICE
LEASEHOLD VALUATION TRIBUNAL**

Case Ref : CAM/12UD/LSC/2010/0052

King's Lynn County Court Claim No 9QZ40048

Property : Flat 1, 13 North Street, Wisbech, Cambridgeshire PE13 1NP

Application : For determination of payability of service charges for the periods ending 25th December 2008 & 2009 and interim service charge for 2010
[LTA 1985, S.27A]

Applicant : Mr David L Housden, River View, 24 Waterside Gardens, March, Cambs PE15 8RW

Respondent : Jess Ronald William Allen, 7 Walton Road, Leverington, Wisbech, Cambs PE15 8RW

represented by David Sillitoe, of The Service Charge Company, 34a Watling Street, Radlett, Hertfordshire WD7 7NN

DECISION

Handed down 2nd November 2010

Tribunal : G K Sinclair (chairman), J G Dinwiddy FRICS & D S Reeve

Hearing date : Thursday 9th September 2010 at Elme Hall Hotel, Emneth, Wisbech

Case law cited

Warrior Quay Management Co Ltd v Joachim Lands Tribunal (LRX/42/2006) (11th January 2008)
Daejan Investments Ltd v Benson [2009] UKUT 233 (LC)

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Summary

1. This case concerns a landlord's attempts to recover both "interim" (or "advance") and "final" service charges from the leaseholders of Flat 1, which is a first floor flat above and to the front what – judging by the cellar and what the tribunal was told on site – had once been a public house and more lately shop premises at the end of North Street closest to

the port area of the town. Another flat lies to the rear, both being accessed by a rear door through a gate at the side of the building. The building is listed, parts apparently dating back as far as the 13th century, but the exterior mostly 19th century in origin.

2. The advance service charge is based on the actual charge for the previous year, which in this case was considerably inflated by the carrying out of major works of repair and redecoration which were clearly unlikely to be repeated in the following year. A point taken by the tenant is that the works were of such expense that he ought properly to have been consulted in advance by the landlord, relying upon section 20 of the Landlord and Tenant Act 1985. As the point was raised, and the landlord is acting in person¹, the tribunal itself drew to his attention at the PTR held on 19th May 2010 the possibility of seeking dispensation with the strict requirements of section 20 and the regime put in place by the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended). The tenant's application is therefore deemed to be responded to by an application by the landlord under section 20ZA, as suggested by HHJ Huskinson in the Lands Tribunal in *Warrior Quay Management Co Ltd v Joachim*², at paragraph 41.
3. Having inspected the subject premises and heard and considered the parties' evidence and submissions at a hearing later that day the tribunal determines, for the reasons which follow, that :
 - a. In seeking to recover service costs from the tenants the landlord/managing agent does not understand the terms of the lease (as amended), which are inadequate, or the basic legal principles of residential leasehold management
 - b. The repairs and redecoration carried out by the landlord are qualifying major works, within the meaning of section 20 and the Consultation Regulations
 - c. In the circumstances it is not reasonable for the tribunal to dispense with some or all of the prescribed consultation requirements
 - d. The quality of the repair and redecoration work to the exterior of the windows is poor, although that to the brickwork appears acceptable
 - e. The cost of such works which is recoverable from the tenants is capped at £250 from each
 - f. The amounts which may be recovered, once a proper demand is served, are as set out in the Schedule annexed.

Relevant lease provisions

4. The material lease is dated 30th April 1992 and made between Andrew Michael Pope and David Arthur Cornwell (as landlord) and Beryl Elizabeth Neville (as tenant). There is a subsequent deed of variation dated 31st July 2007 which was made between the Applicant (described as the current freeholder of the premises) and the Respondent (as tenant), which shall be referred to later.
5. The property is described as The Flat, 13 North Street, despite there being another, smaller flat to its rear. The flat was granted for a term of 99 years starting on 20th

¹ Mr Housden formerly owned this property himself but during the service charge years in question sold it to his daughter and son-in-law, who have since the PTR confirmed in writing that he has their authority to bring this claim. For simplicity the applicant shall be referred to as the landlord

² Lands Tribunal (LRX/42/2006) (11th January 2008). This is freely accessible via the Decisions database on the Lands Tribunal website. Other parts of the decision are pertinent to this case.

December 1991 at a peppercorn rent (the "basic rent") and as further rent (the "insurance rent") the sums the landlord spends each year to insure the property as required by the lease.

6. By clause 3.3 the tenant covenants to pay the landlord on demand a one third share of the amount spent in carrying out the obligations in the lease to provide services. In clause 3.6 the tenant further covenants to keep the property in good repair and at 3.10 to decorate the inside of the property during every seventh year.
7. By clause 4.5 the landlord covenants to provide the services listed in the Third Schedule for all the occupiers of the building, and in doing so may engage the services of whatever employees, agents, contractors consultants and advisers as the landlord considers necessary.
8. The Third Schedule is quite short. It reads :

Services to be provided

1. REPAIRING the roof, foundations and common parts³ of the building
 2. DECORATING the outside of the building every three years
 3. REPAIRING and maintaining those sewers, drains, pipes, wires and cables in the building and its grounds which serve both the property and other parts of the building.
9. In circumstances not really explained, for it could not lawfully have been imposed as a condition for consenting to an assignment⁴, the lease was varied in July 2007. Rather surprisingly, for it is difficult to see that any consideration at all was provided by the landlord, the Deed of Variation declared that clause 2.1 was to be construed so that instead of the tenant paying a peppercorn rent he would pay an annual basic rent of £250, subject to upward only review every thirty-third year of the term.
 10. Clause 3.3 of the lease was also to be construed so that the tenant would pay one third of the amount spent in carrying out the obligations in the lease to provide services, calculated in accordance with a new mechanism for interim and final payments set out in a new Fourth Schedule. It is important to stress here that the nature and extent of the services listed in the Third Schedule were not altered in any way.
 11. The landlord also introduced, by means of a new Fifth Schedule, a series of regulations where none had previously existed.

Material statutory provisions

12. The method of calculation and overall amount payable by tenants for works of repair and management costs by way of service charge are governed principally by the express terms of the lease, but always subject to the cap imposed by section 19 of the Landlord and Tenant Act 1985, which limits the recoverability of relevant costs :

³ The parts of the building intended for use by all of the occupiers of the building [clause 1.6]

⁴ The lease contains no restriction on parting with possession of the whole

- a. only to the extent that they are reasonably incurred, and
 - b. where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard.
13. By section 20, where the cost of any qualifying works shall exceed £250 for any liable tenant then the relevant contributions of tenants are limited to that amount unless the consultation requirements imposed by the Service Charges (Consultation Requirements) (England) Regulations 2003⁵ have been either complied with in relation to the works or dispensed with under section 20ZA in relation to the works by (or on appeal from) a leasehold valuation tribunal. The consultation procedure includes, *inter alia*, the obtaining of “estimates” for the works from at least two contractors.
14. The amount payable may be determined by the tribunal under section 27A. This is the provision under which this application has been brought. Please note sub-sections (5) & (6), which provide that a tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment, and that an agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement)⁶ is void in so far as it purports to provide for a determination in a particular manner or on particular evidence of any question which may be the subject of an application to the Tribunal under section 27A
15. Section 47 of the Landlord and Tenant Act 1987 provides that any written demand for payment of rent or other sums payable to the landlord under the terms of the tenancy must contain the name and address of the landlord and that, where a demand is given which does not contain such information, then any part of the amount demanded which consists of a service or administration charge shall be treated for all purposes as not being due from the tenant at any time before that information is furnished by the landlord by notice given to the tenant.
16. Since 1st October 2007 section 21B of the 1985 Act provides that a demand for the payment of a service charge must be accompanied by a summary of the rights and obligations of tenants of dwellings in relation to service charges. The content of that summary is prescribed by the Service Charges (Summary of Rights and Obligations, and Transitional Provision) (England) Regulations 2007.⁷ The document must contain the prescribed heading and text and must be legible in a typewritten or printed form of at least 10 point.⁸ If this is not complied with then a tenant may withhold payment of a service charge which has been demanded from him.

Inspection and hearing

17. The tribunal inspected the building externally, the cellar of the ground floor commercial premises (formerly a public house), the rear entrance to the flats and staircase, and the flat in question internally. The purpose of the latter was to better examine the state of

⁵ SI 2003/1987 (as amended)

⁶ Eg. provisions in a lease stating that the landlord’s accountant’s certificate shall be conclusive, or that any dispute shall be referred to arbitration

⁷ SI 2007/1257

⁸ *Op cit*, reg 3

the three first floor external windows, the ledges of which were seen to have badly flaking gloss paint on a base of cracked and partly rotten timber. There seemed no evidence that any primer coat had been applied. The purpose of inspecting the cellar was to observe where the incoming water supply had been divided, partly because of internal rearrangement of the ground floor and partly to ensure separation of the supply to the adjoining restaurant in detached premises towards one side at the rear.

18. Externally, the building is sited on the north side of North Street, just a narrow footpath's width from the roadway and at the furthest end from the town centre. It is constructed of or clad in rendered and painted brick under a clay pantile roof, with large wooden-framed windows and corner entrance door on the ground floor. The gable wall at the side is also of rendered brick construction, and like at the front has been recently painted. Just proud of the gable wall, but mounted on two round metal poles, is a large sign advertising the Moghul Indian Restaurant. Photographs in the bundle show that until recently a sign for the restaurant had been affixed directly to the gable wall.
19. The two flats are approached from a doorway near the rear of the building, which is in fact L-shaped. The rear bedsit flat occupies this return wall while the subject property is to the front, with three large windows facing southwards to the street, a small rear-facing window above the entrance door and stairs, and a small window in the kitchen looking west over a third party's garden. This west-facing wall, most of which concerns the bedsit flat, is accessible only by crossing through other property. The tribunal did not inspect this wall, and it was informed by Mr Housden that the wall is more protected from the elements than that facing the street and the eastern gable, so had not formed part of the most recent decorating contract.
20. At the hearing the tribunal had before it a slim bundle of documents, comprising a copy of the lease and deed of variation, the court claim form and papers, directions issued by the tribunal on transfer, service charge account statements prepared by Leighton & Co, chartered accountants and registered auditors, on 21st June 2010 for the years 2008 and 2009, Mr Housden's computerised transaction journals for invoice 8342 (25th December 2008) and invoice 8920 (25th December 2009), Mr Housden's three witness statements, photos and various other documents including invoices, statements and correspondence. The invoices included substantial invoices by Mr Housden to "13 North St Apartments" for his administrative time spent in extracting accounting records for the accountants.
21. As Mr Sillitoe pointed out, however, the bundle omitted a number of salient letters from his company to Mr Housden, warning him of his non-compliance with section 20 and that determination of the amount payable should be sought from the Leasehold Valuation Tribunal, not by a debt claim in the County Court. It did, however, include his Statement of Case on behalf of the Respondent and some photographs taken by Mr Allen while the works were in progress. Mr Sillitoe supplied separately a small bundle comprising a copy of the *Warrior Quay* decision, statutory material, and a brief article from the July 2009 edition of *Woodfall Landlord and Tenant Bulletin* on sections 18, 19, 27A and 20C.
22. The initial County Court claim was for the sum of £4,386.86, being the unpaid service charge for 2008 and unpaid advance service charge for 2009. In his Defence Mr Allen objected that the bulk of the claim was for works carried out in breach of section 20, that

his legal advisers had informed Mr Housden of the relevant requirements, but that Mr Housden had denied that he had done anything wrong and pressed on with legal action. In response, Mr Housden submitted to the court that the whole of the 2008 service charge was unpaid and that the advance payment required for 2009 was so large because it was based on the earlier year's charge. After allocation to the Small Claims Track the court responded to representations made by The Service Charge Co on behalf of the Defendant and finally transferred the case to the Leasehold Valuation Tribunal.

23. Mr Housden's case was that the building had been derelict when he acquired it, that it was on a Buildings at Risk register, and that the Conservation Officer was keen that he take steps to rectify matters quickly. Some work such as to the roof was urgent, bricks were spalled badly and gutters leaked. There was also a problem with a water pipe on the ground floor which had been inadvertently cut before anyone realised that it served various properties. However, he freely confessed that despite being involved in property management for many years he was wholly unaware of such legislation as section 20, of the requirement to supply the landlord's name and address on any demand, and of the more recent requirement under section 21B also to serve the prescribed summary of the rights and obligations of tenants of dwellings in relation to service charges. No-one had told him of these provisions. He had, however, told the tenants in writing of his plans and invited comment – to which there was no reply. Later he informed them of the cost of some quotes he had obtained for aspects of the work.
24. On behalf of the Respondent Mr Sillitoe contended that :
- a. No sum had yet become payable under invoice 8342 for the year 2008 since it did not comply with sections 47, 48 and 49 of the Landlord and Tenant Act 1985
 - b. Neither had the accounts been certified, as required by paragraph 2 of the new Fourth Schedule
 - c. The Applicant was therefore wrongly claiming interest and administration fees in relation to sums not yet lawfully due
 - d. The management fee of £600 is not payable, as there is no provision for one in the lease
 - e. Notwithstanding the comments in c above, there is no provision made in the lease , as amended, for payment of any administration charges
 - f. With the exception of a £300 fee for an insurance valuation, the balance of the claim can be regarded as one programme of "major works" to which section 20 applies
 - g. While it is noted that the application has been deemed by the tribunal to include a section 20ZA application the Respondent considers dispensation to be wholly inappropriate so long after the event, and where a commercial landlord/agent was involved. Reliance was placed on the observations of HH Judge Huskinson in the *Warrior Quay* case, where dispensation was not allowed. It was not right that the Respondent should have to pay his firm in order to educate Mr Housden as to the law which had been in force (in one form or another) for up to 25 years
 - h. In respect of the year 2009 comments concerning non-certification or compliance with section 47 were repeated
 - i. For the same reasons as before the management fee was disputed
 - j. The Applicant's concept of a general mark-up of 17.5% (to allow for the cost of contractors' equipment and materials) is disputed

- k. The claim for administrative time is also disputed
 - l. Due to some mistaken paperwork (referring to the wrong property) proof was sought that this building was insured
 - m. For the year 2010 no sum had yet properly become payable.
25. During oral questioning it was put to Mr Housden that the service charge provisions in the lease were extremely restrictive about what could be recovered, and that by simply entering into a deed of variation rather than a wholly new lease he had not cured the problem. Did the Third Schedule allow for recovery of the repairs to brickwork and the external woodwork?
26. On the subject of consultation, and dispensation with the prescribed requirements, it was put to Mr Housden on behalf of the Respondent that he had been warned about the need to comply with section 20 and had apparently taken advice on it, yet still persisted with bringing this claim in the County Court. *Warrior Quay* had been mentioned at the PTR, yet Mr Housden admitted that he had still not read what it said. It was then put to him by the tribunal that the approach to dispensation had recently become tougher, with the Upper Tribunal's decision in *Daejan Investments Ltd v Benson*.⁹

Discussion and findings

27. The tribunal is disturbed to find that the Applicant managing agent, who was formerly the landlord until he sold the building to his daughter and son-in-law, had not properly read the lease nor understood some basic principles of residential leasehold management law. The lease is woefully inadequate in its precise description of the demised premises, so that it is unclear whether the flat includes or excludes the external walls. Mr Allen was of the view that his lease also included half of the attic, accessed from a hatch on the stairs landing and thence through a locked door in an internal attic wall, the existence of which Mr Housden denied. It is a pity that this issue had not been mentioned during the inspection, so the facts could have been checked by use of a torch and short ladder.
28. The issues to be determined by the tribunal fall under four general headings :
- a. Whether any amount is lawfully due
 - b. What cost items, by way of work or administration, are recoverable under the Third Schedule
 - c. Whether such items as may lawfully be recovered in principle fulfil the section 19 criteria of reasonableness in quality and cost
 - d. Whether the consultation procedure prescribed by section 20 and the regulations applies and ought to be dispensed with, in whole or in part.
29. The tribunal is satisfied that at the date this claim was issued in the County Court no sum was properly due. That remained the position until well after the PTR in May 2010. This is because the Applicant failed to have service charge accounts drawn up and certified by an independent accountant, failed to comply with section 47, and failed to serve with any demand a summary of the tenant's rights and obligations in relation to service charges.
30. Insofar as management fees and the various charges sought to be levied by Mr Housden are concerned, in the tribunal's determination :

⁹ [2009] UKUT 233 (LC), per Carnwath LJ, Senior President of Tribunals

- a. If the cost of carrying out works is recoverable then so too must the cost of managing that work. Paragraph 2 of the Fourth Schedule lists a number of tasks concerning service charge costs which the landlord must perform, so recovery of a management fee accords with the definition of "service costs" in paragraph 1 in the same Schedule and is acceptable in principle
 - b. Accepted management practice endorsed by the RICS *Service Charge Residential Management Code* ("the Blue Book"), approved by the Secretary of State under the terms of section 87 of the Leasehold Reform, Housing & Urban Development Act 1993, provides for a standard annual fee for basic management tasks and a menu with prices for exceptional items. Collection of ground rent and service charges, chasing payment, conducting periodic inspections, answering normal tenant queries and the delivery of service charge invoices, receipts, etc to the accountants are all tasks within the standard annual fee
 - c. Management time spent attending the building with a fire officer for insurance purposes of the common parts is not recoverable. The common parts are tiny. Further, Mr Housden's suggestion in appendix 17 that the insurers require that the flats be inspected externally once a week, and internal inspections monthly, is extraordinary.
 - d. The charge for management time spent in connection with certification of the service charge accounts is therefore disallowed. If Mr Housden chooses to file all invoices for all his properties by the month in which they are incurred, instead of by the property, then the cost of separating the costs applicable to particular properties is one he must bear
 - e. In principle, a landlord or agent carrying out the usual tasks involved in managing a small number of flats such as this would expect to charge around £200 per unit for a competent job
 - f. A general mark up which is unsupported by documentation is unacceptable, and not a transparent means of doing business. This item is disallowed in full.
 - g. The tribunal shall return to the issue of appropriate management fees later in this decision.
31. From the documentation disclosed at appendix 30 the tribunal is satisfied that the building is and has been properly insured at all material times. The cost is allowed as claimed.
 32. The tribunal determines that the cost of repairing the water pipe is the responsibility of the landlord's builder who cut it while renovating the ground floor, and the installation of a series of new pipes to separate the supply at basement level is an improvement to which the tenant did not agree, and from which he did not directly benefit.
 33. The external walls are not part of the "roof, foundation and common parts of the building" and so the cost of repairs to external timber – especially to the large windows, moulded columns and wooden panelling on the ground floor – is simply not recoverable under the lease. Similarly, the cost of removing from the gable wall of the ground floor premises the sign erected by the adjoining restaurant is irrecoverable under the lease.
 34. The cost of clearing the attic of rubbish is recoverable if that is a common part. If it could be cleared without having to break down a locked door then the tribunal is satisfied on the balance of probabilities that the attic does qualify as "common parts".

35. Repairs to the external brickwork *per se* are not covered, but arguably might constitute legitimate making good or preparatory work for the repainting of the exterior walls. However, upon consideration of the Applicant's enclosures 23 and 24 (especially his computer "journals") the tribunal is not satisfied by the numerous entries for minor sums under the description "Exterior painting and brickwork".
36. Even if that were not so, the tribunal accepts the evidence of Mr Allen that no primer coat was applied to the bare new wood before painting. This would accord with the evidence seen on inspection that paint had badly peeled in many places. Old timber had also not been prepared properly. Rotten sections had not been cut out to the extent required, as the window ledges are unlikely to have deteriorated as badly as seen within the two years since redecoration took place. The tribunal rejects Mr Housden's contention that the peeling paint is due entirely to the effect of sunlight on the south-facing windows, or (at ground level) to the effect of spray from the gutters at the side of the street. The paintwork to the brickwork, by contrast, was considered to be quite good, and of a reasonable standard.
37. The tribunal is satisfied that the external repair and redecoration works required by the council's Conservation Officer constitute one programme of "major works", even though this may have been split into several contracts, or items paid for on a piecemeal basis. The programme is "qualifying works" for the purpose of section 20, and there is no dispute that the statutory procedure, of which Mr Housden had apparently not heard, was not followed at all. Unless dispensation is granted the liability of each relevant tenant is therefore capped at £250 for the major works. Should dispensation be granted?
38. The tribunal was referred to the case of *Warrior Quay Management Co Ltd v Joachim*¹⁰, where dispensation was not granted for a combination of reasons, including the standard of the work carried out. Since then, of course, the principles to be applied by a tribunal when considering dispensation have been the subject of an appeal referred to the Upper Tribunal (Lands Chamber) presided over by the Senior President of Tribunals, Carnwath LJ, so that definitive guidance could be given. In *Daejan Investments Ltd v Benson & others*,¹¹ at paragraphs [40–43], Carnwath LJ said at [40] that :
- The power given to the LVT is to dispense with the consultation requirements, not with the statutory consequences of non-compliance. The principal focus, therefore, must be on the scheme and purpose of the regulations themselves. If Parliament had intended to give a power to remove or mitigate the financial consequences, it could easily have done so, but we would have expected it to have been done in a way which avoided an "all or nothing" result. For the same reason, we are unable to accept Mr Jourdan's alternative submission that the tribunal should, instead of refusing dispensation, accept the landlord's offer to reduce the amount of the charge to reflect its view of the prejudice suffered (whether by reference to the general requirement of reasonableness under section 19 of the 1985 Act, or otherwise). Parliament might have enacted a scheme with such an alternative, but it did not do so. The potential effects – draconian on one side and a windfall on the other – are an intrinsic part of the

¹⁰ Lands Tribunal (LRX/42/2006) (11th January 2008)

¹¹ [2009] UKUT 233 (LC)

legislative scheme. It is not open to the tribunal to rewrite it. Nor do we think that section 19 can be used to achieve the same effect. Given the specific scheme in relation to consultation, the general provision that charges are allowed only so far as "reasonably incurred" is not apt to allow a reduction.

39. At [41] Carnwath LJ went on to observe, concerning the regulations, that :
...the tribunal should keep in mind that their purpose is to encourage practical co-operation between the parties on matters of substance, not to create an obstacle race. If the non-compliance has not detracted significantly from the purpose of the regulations and has caused no significant prejudice, there will normally be no reason to refuse dispensation.
40. At [43] he went on :
Finally, we emphasise the need to consider these issues having regard to the particular facts of each case, including the nature of the parties and their relationship. For example, the tribunal may reasonably take a more rigorous approach to non-compliance by a local authority or commercial landlord, than to a case where the landlord is simply a group of lessees in another form. On the other side, we can readily understand why the *Grafton* tribunal, in a case where there were 40 lessees, only some of whom were represented by the negotiating group, was unwilling to "speculate" as to the likely response to a stage 2 consultation. The same approach may not always be appropriate to a much smaller group of tenants, jointly represented by an active association, and closely involved in the discussions from the start. On the other hand, given the carefully constructed sequence laid down by the regulations, it would rarely be "reasonable" to dispense completely with a whole stage of the consultation process, as happened in *Grafton*.
41. Applying both the *Warrior Quay* and *Daejan* decisions, the tribunal determines that the attempts by Mr Housden to engage with the tenants were inadequate, and very much on his terms. He made no attempt to comply with any of the prescribed stages, because he simply was unaware of them. Furthermore, he attempted to recover the cost of badly executed works which were only partially recoverable under the lease. Despite being advised by Mr Sillitoe well in advance of these proceedings that section 20 was a serious obstacle that he had to surmount, the Applicant proceeded to issue a simple debt action in the County Court. Despite having the question of dispensation raised by the tribunal of its own volition at the PTR he has placed no material before the tribunal to justify granting him such a remedy, in whole or in part.
42. In conclusion, the tribunal determines that the amounts set out in the attached Schedule are recoverable by way of service charge when appropriate demands are made. So far as management fees are concerned, the tribunal considers that £200 plus VAT per unit would be acceptable if the job were well done. In this case the recoverable amount is discounted by 50% to reflect the very poor quality and lack of knowledge.
- Remittance to the court, and costs**
43. Although the Respondent has not specifically raised the issue of limiting the recovery of the landlord's costs as part of any future service charge, under section 20C, the tribunal

considers that he has undoubtedly succeeded in his defence of the claim.

44. Having determined the questions asked of it, that issue and the more general question of liability for the costs and fees incurred in court proceedings seeking recovery of sums which the tribunal has determined to be excessive – and which the Respondent was lawfully entitled to withhold – are remitted to the King's Lynn County Court.

Dated 2nd November 2010



Graham K Sinclair – Chairman
for the Leasehold Valuation Tribunal

SCHEDULE

AMOUNTS RECOVERABLE AS SERVICE CHARGE

Item #	Claimed			Payable		
	2008	2009	2010 †	2008	2009	2010 †
Utilities						
Electricity / common parts	0.00	0.00		0.00	0.00	
General repairs						
Minor repairs & maintenance §	565.00	513.71		85.00	344.51	
Grounds maint	0.00	0.00		0.00	0.00	
Exterior repainting & brickwork	3939.67	0.00		750.00	0.00	
Insurances						
Buildings ins	0.00	907.37		0.00	907.37	
Ins valuation	300.00	0.00		300.00	0.00	
Administration fees (inc VAT)	2472.64	1922.03		352.50	352.50	
Reporting Accountant's fees	411.25	411.25		411.25	411.25	
Totals	7688.56	3754.36		1898.75	2015.63	
Each 1/3 share	2562.85	1251.45	786.55‡	632.92	671.88	671.88

Headings taken from certified accounts at Appendices 23 & 24

† Interim service charge, based on previous year's actual amount

§ Lock change (2008) and clearing roof void (2009) allowed

‡ See Appendix 31 : statement dated 30/05/2010, page 3 (4th line from bottom)