



**FIRST-TIER TRIBUNAL  
PROPERTY CHAMBER  
(RESIDENTIAL PROPERTY)**

**Case Reference** : **CHI/00HG/LSC/2020/0052**

**Property** : **79 Charles Cross Apartments,  
22 Constantine Street, Plymouth,  
PL4 8AF**

**Applicant** : **Mrs Pat Meyrick & 59 leaseholders**

**Representative** : **Roger Carter**

**Respondent** : **CX Freehold Limited**

**Representative** : **Mr Jason Short, Director**

**Type of Application** : **For the determination of the  
reasonableness of and the liability  
to pay service charges section 27A  
of the Landlord and Tenant Act  
1985**

**Tribunal Members** : **Judge Tildesley OBE  
W H Gater FRICS**

**Date and venue of  
Hearing** : **Havant Justice Centre  
1 February 2022**

**Date of Decision** : **28 February 2022**

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**DECISION**

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## **Decisions of the Tribunal**

- (1) The Tribunal determines that the sum of £191,581.17 is payable by the leaseholders in respect of the service charges for the year 1 April 2018 to 31 March 2019. The contribution of each Applicant is £2,060.01 (1/93rd).
- (2) The Tribunal determines that the sum of £20,277.00 is payable by the leaseholders in respect of the service charges for the period 1 April 2019 to 21 July 2019. The contribution of each Applicant is £218.03 (1/93rd).
- (3) The Tribunal declines to make orders under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of schedule 11 of the 2002 Act preventing the landlord from recovering the costs of the proceedings from the Applicants direct or through the service charge. The Tribunal is satisfied that the Applicants have failed to demonstrate that it is just and equitable to make such Orders.
- (4) The Tribunal refuses to make an Order for the Respondent to reimburse the Applicants with the application and hearing fee. The Tribunal has exercised its discretion not to make an order for reimbursement under rule 13(2) of the Tribunal Procedure Rules 2013.

## **The Application**

1. The Applicants seek a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the 1985 Act”) as to whether service charges are payable for the year 1st April 2018 to 31st March 2019 and the part year 1 April 2019 to 21st July 2019.
2. The Applicants also seek orders under Section 20C of the 1985 Act and, under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 (the 2002 Act) to prevent the Respondent from recovering the costs of the proceedings through the service charge and or against leaseholders direct.
3. Mrs Meyrick is the principal Applicant to these proceedings. Mr and Mrs Meyrick hold the long lease of Apartment 79 which they let out to tenants. Mrs Meyrick is supported by 59 leaseholders who between them hold the long leaseholds of 76 apartments in the property. The Tribunal believes that the 59 leaseholders are members of 22 Constantine Street Right to Manage Company which now manages the property. Mr Carter is the representative of Mrs Meyrick and the 59 leaseholders. Mr Carter is the father of Miss P Carter, an Applicant and leaseholder of Apartment 46. Mr Carter has advised the Tribunal that

he holds a post graduate diploma in law and until his retirement was a software licensing and IT contracts expert. The Tribunal also understands that Mr Carter is the company secretary of the Right to Manage Company.

4. Mr Jason Short represented the Respondent. Mr Short took over the position of director of the Respondent company following the sudden death of his brother, Mr James Short, on 14 July 2019. The Respondent company had acquired the freehold of the property in 2014. Full Circle Property Management Limited, an associated company, managed the Property for the Respondent. Until his death Mr James Short was the sole named director of both Companies.
5. The Application was heard on 1 February 2022 at Havant Justice Centre. Mr Carter and Mrs Meyrick attended in person. They were accompanied by Mrs Carter, and Mr Meyrick. Mr Jason Short attended the hearing via a video link on the Common Video Platform.
6. The Applicants had supplied a hearing bundle. However, there were several key documents missing from the bundle including a full copy of the lease, the certified service charge accounts for the periods ended 31 March 2019 and 21 July 2019, and the invoices for AWL, DFR Roofing, Otis and Proclean Southwest. The Tribunal required the Applicant to supply copies of the missing invoices. The Tribunal had previously been sent copies of the certified service charge accounts and the lease.
7. The hearing bundle included witness statements for the Applicants from Mrs Meyrick dated 8 June 2021, and Mr Don Gerard of FMS Limited dated 15 July 2020. Following the death of Mr James Short, Mr Gerard was appointed by the Tribunal as manager of the property on an interim basis until 2 January 2020 when his appointment was confirmed for a period of three years. On 16 April 2020 Mr Carter in his capacity of Company Secretary submitted a Claim on behalf of 22 Constantine Road RTM Company Limited to acquire the management of the property on 1 September 2020. The Respondent company and the Manager did not serve a counter notice by the due date of the 20 May 2020. In view of this Claim the Tribunal instructed Mr Gerard to apply to discharge the Management Order which was granted on 10 August 2020. The Tribunal understands that Mr Gerard's firm, FMS Limited, continues to manage the property on behalf of the RTM company.
8. The hearing bundle included witness statements for the Respondent from Mr Jason Short dated 20 July 2021, Mr Michael Williams of AWL Group Limited dated 26 July 2021 (Mr James Short contracted AWL to service and maintain the fire system at the property over a period of eight years), Mr Damian Tallon dated 15 July 2021 (Mr James Short employed Mr Tallon as Maintenance manager for over ten years), Mr Edison Lacerda dated 26 July 2021, leaseholder of Apartment 32, and

Mr Mohamed Mamdonh Khalil Elargawty dated 26 July 2021, leaseholder of commercial premises at the Property. Mr Jason Short also included as exhibits to his witness statement, various statements from his brother, Mr James Short, in connection with previous proceedings when his brother was alive, and a response to Mrs Meyrick's witness statement from Mr Graham Roberts FCA of Blackwell Bate, Chartered Accountants and Tax Advisers, dated 26 July 2021. Mr Roberts supplied the Chartered Accountant's Report to the Service Charge Accounts for the periods in dispute.

9. At the hearing Mr Carter applied to admit a handwritten statement of Mr Robert Clarke, the leaseholder of apartments 52 and 53, and evidence to substantiate an assertion that the leaseholders of three commercial units and the restaurant did not have separate agreements for the payment of service charges. Mr Carter contended that this evidence was relevant because it would reduce the contribution of the residential leaseholders from 1/93 to 1/97. The Tribunal refused the application to admit late evidence. The Tribunal pointed out that these proceedings had been ongoing since July 2020, and that the Applicants had had more than sufficient time to prepare their case. The Tribunal also noted that 1/93rd apportionment was fixed by the terms of the lease.

### **The Issue**

10. The Applicants had originally applied to determine the reasonableness of the on-account service charges for the year ended 31 March 2019 and the period ended 21 July 2019 for which demands have been made. The Tribunal directed that it would determine the actual service charges for the said periods so that the Applicants would know their precise liabilities to the Respondent. This would enable the Respondent to close its accounts following the acquisition of the management of the property by the Right to Manage Company.
11. The parties completed a Scott Schedule for the years in question. On the face of it the sole issue concerned the reasonableness of the charges for the 18 months immediately preceding the death of Mr James Short. The parties' evidence in support of their respective positions, however, was coloured by the history between Mrs Meyrick and Mr James Short, and the difficulties posed by the sudden death of Mr James Short. These issues are covered in more detail in the background of the case.

### **Background**

#### **The Property**

12. The Tribunal did not inspect the Property for the purpose of the hearing. The Tribunal had inspected the Property in connection with

previous applications. The Tribunal's description of the property relied on that given in the Tribunal decisions of 6 October 2016, 9 October 2018, and 5 June 2019.

13. The property is a purpose-built block situated close to the City Centre in Plymouth. The block contains 93 apartments, three commercial office units and a restaurant. There is parking within the site for approximately 30 vehicles and the site includes confined landscaped areas.
14. The building was constructed in about 2006, of steel and concrete with a flat metal roof and uPVC windows and doors. It is arranged in three five-storey sections. There is a basement underneath the building. Each section is self-contained and accessed through its own communal entrance via a door entry system. The building has no gas supply. Panel heaters are located in the stairwells and corridors of the upper floors of each section. There are rubbish chutes in the north and south sections into the bin stores beneath, but the central section has no chute as internal stairs lead down from its ground floor hall to the largest bin store, use of which is shared with the north section. A back door in the south section leads into the car park and a smaller bin store serving that section is adjacent to the exit.
15. The Tribunal in 2016 found that the communal areas including the bin stores were clean and in reasonable state of decoration. Further the Tribunal considered the carpet tiles and the stair carpets were in good condition and had worn well. The Tribunal saw no obvious signs of neglect in connection with the maintenance of the exterior of the building. The Tribunal in 2018 found generally the building to be clean and in good condition. The Tribunal noted that some light bulbs were not working and staining was evident on the carpets in some of the communal entrances, stairwells and passages but generally both the internal and external areas and bin stores were clean and tidy at the time of inspection. The Tribunal on 16 May 2019 agreed with the previous Tribunal's description of the property in 2016 and in particular that the communal areas were clean and in a reasonable state of decoration. The Tribunal, however, noted that the nosing on some of the stair treads had come loose and broken in places and that the decoration although in reasonable condition was beginning to look tired.
16. The Applicants contended that in July 2019 the property was in a poor state of repair and maintenance. Mr Carter argued that the inspections conducted by the Tribunal were perfunctory and that this Tribunal should rely on the reports on the condition of the property by the Tribunal appointed manager. The Applicants referred to the Property Inspection Report of Freehold Management Services dated 30 July 2019 which described the property as extremely tired but generally tidy.

17. The Tribunal disagreed with Mr Carter, pointing out that a Tribunal had inspected the property in May 2019 towards the end of the second disputed period. That Tribunal had found there was no evidence of any specific failure to maintain the property which was consistent with the findings of the two previous Tribunals in the preceding three years. The Tribunal also considered that the findings of the Freehold Management Services' report was broadly in line with the tenor of the inspections of the previous Tribunals.

## **The Lease**

18. The sample lease provided was made between Charles Cross Centre Limited and Mr Roy Sheen dated 27 October 2006 and for a term of 125 years starting on 25 December 2005. Under the lease the Tenant is required to pay a ground rent of £100 for the first twenty years after which the rent increases by £50 for every twenty years of the term ending at £300 for the remainder of the term after eighty years. Under clause 3.2 the Tenant will also pay as further rent (1) the service charge (2) any sums the Landlord spends following any default by the Tenant of the Tenant's obligations and conditions contained in this Lease (3) any interest due from the Tenant, and (4) any Value Added Tax. Under clause 5.1.2 the Tenant covenants to pay the Service charge calculated in accordance with the Fifth Schedule on the dates stated and to pay all other sums reserved as rent on demand. Clause 5.1.4 provides that the Tenant shall not reduce any payment of rent by making any deduction from it or by setting any sum off against it. The Particulars specify the Tenant is obliged to contribute 1/93 (one ninety third) share of the service costs.
19. Under "Definitions" the Building means the premises known as Charles Cross Centre, Constantine Street, Plymouth, Devon PL4 8DE whether or not built on as comprised in the above title number (DN134847). Premises means the Flat described in the Particulars and in the First Schedule to the lease.
20. Under the "Recitals", service charge means the sum to be calculated and payable as specified in the Fifth Schedule. Paragraph 1 to Part 1 of the Fifth Schedule defines service costs which include: (a) the amount the Landlord spends in carrying out all obligations imposed by the lease including the cost of borrowing money, and the cost of insurance, (b) all rates, taxes, charges, assessments and outgoings payable in respect of the Building as a whole (as distinct from the premises let to the tenants of the building); (c) the amount the Landlord pays for the keeping of the accounts and the preparation of the Service Charge statement; (d) the fees of managing agents retained by the Landlord in relation to the management of the building, the provision of services and the collection of rents and the service charge from the tenants and occupiers of the Building (or where any such task is carried out by the Landlord's reasonable charge); (e) the cost of employing such other

staff as the Landlord or its managing agents may consider desirable for the efficient management and supervision of the Building; (f) the amount the Landlord spends in complying with, making representations against or otherwise contesting the provisions of the Planning Acts, statute byelaw or notice concerning public health, highways, drainage, fire regulations, the requirements of the Landlord's insurers or other matters relating to the Building or any part of it for which any tenant is not directly liable (g) such sums (if any) as the Landlord or its managing agents shall reasonably consider appropriate to charge in a Period by way of any future Period in respect of any of the services to be provided by the Landlord.

21. Paragraph 2 to the Fifth Schedule sets out the Landlord's obligations in relation to the service charge machinery, namely:
  - To keep a detailed account of service costs.
  - To prepare a service charge statement for each period which states the service costs for each major category of expenditure, the amount of the final service charge, the total of the interim service charge instalments by the Tenant, and the amount by which the final service charge exceeds or is less than the interim service charge.
  - To arrange for the service charge statement to be certified by a member of the Institute of Chartered Accountants in England and Wales. The certificate to state that the statement is a fair summary of the service costs and is sufficiently supported by accounts, receipts and other documents.
22. Clause 7.2 requires the Landlord to use reasonable endeavours to provide the provision or procure the services listed in Part 11 of the Fifth schedule. The services include repairing and maintaining the main structure of the Building, decorating the outside of the Building, maintaining decorating and furnishing the Common Parts, heating lighting and cleaning the Common Parts, maintaining and repairing the lifts, maintaining the grounds of the Building, providing the building with reasonable facilities and arrangements for rubbish disposal, and the provision of such other services as the Landlord may reasonably consider desirable in the interests of good management.
23. Under Clause 5.10 the Tenant covenants to pay all reasonable and proper expenses (including solicitors and surveyors fees) which the Landlord incurs in contemplation of and in preparing and servicing a notice under section 146 of the Law of Property Act 1925. Clause 5.12 requires the Tenant to pay to the Landlord all reasonable and proper costs and expenses (including professional fees and stamp duty) incurred in connection with (1) recovering or attempting to recover whether by any legal process including distress or by correspondence or

otherwise items being or treated as rent; (2) the lawful enforcement of any of the obligations on the part of the Tenant and the terms and conditions of this lease. Clause 5.13 requires the Tenant to keep the Landlord fully indemnified against all damages, losses, costs, expenses proceedings and liabilities arising directly or indirectly out of any breach of the Tenant's obligations contained in this lease.

24. Under Clause 8 the Landlord agrees with the Tenant to insure and to keep the Building insured in an insurance office of repute to be selected by the Landlord in such sum as represents the full reinstatement value and cost of the Building against loss or damage by the Insured risks.

### **Previous Tribunal Proceedings**

25. There have been eight previous sets of proceedings in connection with the building. The decisions [CHI/00HG/LIS/2010/0091 & 2011/0144] declared that the service charges for the years ended 31 March 2007, 2008, 2009 and 2010 had not been validly demanded, and that the charges for those years could not be recovered because of the 18 month period imposed by section 20B of the 1985 Act. The third decision [CHI/00HG/LSC/2013/0116] made various determinations on the reasonableness of the service charges for the years ended 31 March 2011 and 2012. The Tribunal declined to make a determination in respect of the year ended 31 March 2013.
26. The decision (CHI/00HG/LSC/2015/0064) published 6 October 2016 determined that service charges of £38,026 (£408.88) for the year ended 31 March 2014 and £47,499 (£510.74) for the year ended 31 March 2015 were payable. The Tribunal on the whole found the service charges reasonable but reduced the charges for electricity and the managing agent for technical reasons. The Tribunal decided that the wrong rate of VAT had been charged for electricity, and that there had been a failure to consult on qualifying long-term agreement for the managing agent.
27. The Tribunal noted that the Applicant's case (Mrs Meyrick) consisted of what she perceived to be a series of flaws in the documentation which undermined the amount being demanded by way of service charge. The Applicant's challenge stemmed from the Respondent's (CX Freehold's Limited) fiduciary duty to account for any service charge collected on its behalf, which in turn placed an evidential burden on the Respondent to satisfy the Tribunal that the costs have in fact been incurred. The Applicant, however, had not as part of her case followed up her challenge with evidence of costs of alternative provision of the challenged services.
28. On the 9 October 2018 the Tribunal published its decision (CHI/00HG/LSC/2018/0011) on the service charges payable for the years ended 31 March 2016 (£49,824.75; £535.75); 31 March 2017



(£60,924.30; £655.10); and 31 March 2018 (£59,228.91; £636.87). This Tribunal as with the previous Tribunal found the service charges demanded reasonable except for the rate of VAT charged on electricity and minor adjustments to repairs and maintenance. The Tribunal accepted that the cleaning charges for 2017 and 2018 were reasonable in terms of the number of hours (16) cleaned.

29. On the 5 June 2019 the Tribunal dismissed an application by 39 leaseholders for the appointment of a manager (Mr Gerrard of Freehold Management Services) pursuant to section 24 of the Landlord and Tenant Act 1987. The Tribunal found that the leaseholders had failed to establish the grounds for the appointment of manager. The Tribunal determined that there was no evidence of any specific failure on the part of the freeholder to maintain the Property.
30. Following the sudden death of Mr James Short Miss Carter of Apartment 46 applied for Mr Gerrard to be appointed manager of the property. In view of the urgency of the matter on the 22 July 2019 the Tribunal made an interlocutory order appointing Mr Gerrard as manager. On 2 January 2020 the Tribunal confirmed Mr Gerrard's appointment for a period of three years. The Tribunal, however, declined Mr Carter's application for Mr Gerrard to have responsibility for the collection of historic service charges.
31. On 10 August 2020 the Tribunal discharged Mr Gerrard's appointment as manager with effect from midnight on 31 August 2020 which was when 22 Constantine Street RTM Company Limited acquired the right to manage the Property. Before discharging the Order the Tribunal varied it forthwith to revoke the requirement for the Manager to collect ground rents and to hold the funds (ground rents) on trust.

### **History of the Proceedings**

32. Following receipt of the Application to determine the on account service charges for the disputed periods on 2 July 2020, the Tribunal directed disclosure of a certified summary of service charges, invoices, receipts, and bank statements, and exchanges of statements of case. The Tribunal considered the Application suitable to be determined on the papers.
33. On 7 September 2020 the Tribunal heard the Respondent's application for further time to produce an account and supporting documentation because it could not comply with the directions through lack of funds. The Tribunal acknowledged the difficulties faced by Mr Jason Short in sorting out the considerable problems resulting from his brother's demise. The Tribunal granted an extension of time until 15 October 2020 for the Respondents to produce the accounts. The Tribunal also decided that it would be preferable for a determination to be made on the actual expenditure rather than on the on-account charges.

34. On 21 October 2020 the Tribunal granted Mr Jason Short's application for an Order to Lloyds Bank PLC to provide him with copies of the Respondent's bank statements in order to prepare the certified statement of summary charges. The bank account had been held by the late James Short and the bank had hitherto declined to release the statements required. This Order was amended on 21 October 2020 to include statements for Full Circle Plymouth Limited.
35. On 2 March 2021 the Tribunal ordered Blackwell Bate Chartered Accountants to produce final service charge accounts by 14 April 2021.
36. On 28 April 2021 the Tribunal held a case management hearing. The Tribunal ordered Blackwell Bate to produce to Mr Carter:
  - a) Final service charge accounts for Charles Cross Apartments for the period 1 April 2019 to 21 July 2019.
  - b) Copies of all invoices forming part of the expenditure recorded in the Profit and Loss accounts for the period from 1 April 2018 to 31 March 2019 and from 1 April 2019 to 21 July 2019. The Tribunal understood that the invoices were held in electronic form.
  - c) Any pages of bank statements of the Respondent company from which payments have been made and which have been included in the aforesaid accounts, the payments being highlighted and cross-referenced to the relevant entry in the Profit and Loss Accounts
  - d) A statement from the accountants explaining how the Profit and Loss accounts have been prepared.
37. The Tribunal directed the Applicants to supply a hearing bundle by 19 August 2021. The Tribunal considered that the case was still suitable for determination on the papers.
38. Following the case management hearing on 28 April 2021 Blackwell Bate wrote to the Tribunal saying that it would not be possible for them to do produce the accounts until 26 May 2021 at the earliest. Blackwell Bate also stated that the documentation in support of the accounts could only be provided on a "read only" access to a Cloud based accountancy package.
39. On the 18 May 2021 the Tribunal held another case management hearing at which Mr Roberts and Ms Wise of Blackwell Bate attended. The Tribunal issued revised directions, namely that

- a) By 26 May 2021 Blackwell Bate would send to the Applicant's representative, Mr Carter, (1) certified copies of the service charge accounts for Charles cross Apartments for the year 1 April 2018 to 31 March 2019 and from 1 April 2019 to 31 July 2019; (2) the following supplier invoices: Otis, AWL, DFR Roofing and Proclean South West Limited and either confirm that no lessees' service charge payments have been paid into CX Freehold Limited's bank account, or provide full details of any such payments.
  - b) By 21 July 2021 the Applicants to supply a copy of the hearing bundle.
40. On 9 July 2021 the Tribunal approved an Application by the Respondent limiting the determination to the periods 1 April 2018-31 March 2019 and 1 April 2019- 21 July 2019. Revised directions were issued requiring the bundle to be delivered by 13 August 2021.
  41. On 13 August 2021 the Tribunal informed the Applicant's representative that it was not prepared to accept the various emails with attachments as the hearing bundle. The Tribunal gave the representative an extension of 14 days in which to provide a hearing bundle in the correct format.
  42. The Tribunal originally decided to deal with the Application on the papers which was listed for determination on 9 October 2021. Unfortunately, the Judge who had custody of the case had retired, and it took some time for the newly appointed Tribunal to get to grips with the case. The principal reason for this was that the Applicants' bundle did not comply with the directions and did not include key documents, such a full copy of the lease, complete copies of the service charge statements, and the lists of transactions attached to the profit and loss accounts. Also, the Applicants relied on previous decisions of the Tribunal which had been overtaken by subsequent decisions.
  43. On 4 January 2022 the Tribunal after considering the evidence decided in the light of *Enterprise Home Developments v Adam* [2020] UKUT 151 (LC) that a hearing in person was required. This was fixed for the 1 February 2022.

## **Consideration**

44. The Tribunal is required to determine the actual services payable for the periods 1 March 2018 to 31 March 2019, and the 1 April 2019 to 21 July 2019. The sums involved were £200,927.72 and £24,653.00 for the respective periods ending 31 March 2019 and 21 July 2019. The

Applicants admitted liability to pay the respective sums of £50,388.59, and £8,958.27.

45. The Application originally was to determine the service charges on account for which demands had been issued by the Respondent. Mrs Meyrick in her witness statement dated 8 June 2021 recorded demands totalling £136,710 for the period ended 31 March 2019 and £60,450 for the period ended 31 March 2020.
46. The Tribunal has power under Section 27A of the 1985 Act to decide all aspects of liability to pay service charges and can interpret the lease where necessary to resolve disputes or uncertainties. The Tribunal can decide by whom, to whom, how much and when a service charge is payable. However, no application can be made in respect of a matter which has been admitted or agreed by a tenant or determined by a Court.
47. By Section 19 of the 1985 Act service charges are only payable to the extent that they have been reasonably incurred and if the services or works for which the service charge is claimed are of a reasonable standard.
48. Under S.20C of the 1985 Act a Tenant may apply for an order that all or any of the costs incurred in connection with the proceedings before a Tribunal 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 specified in the application.
49. The circumstances of this case were challenging because of the sudden death of Mr James Short, sole director of the Respondent. Mr Jason Short who assumed the directorship had not been involved in the running of the Property prior to the demise of his brother and was doing his best to assist his brother's immediate family in dealing with their late father's estate. The Tribunal, therefore, did not have the benefit of hearing from the person who was best able to put forward the Respondent's case. Mr Jason Short also encountered considerable difficulties for a variety of reasons in obtaining the necessary information to produce the service charge accounts for the periods under dispute.
50. The Tribunal now turns to its evaluation of key aspects of the evidence relied upon by the parties.
51. The Respondent had managed to organise and produce service charge accounts certified by Blackwell Bate, Chartered Accountant. Blackwell Bate confirmed that their work was carried out having regard to ICAEW Technical Release 03/1 1. In this regard they

- a) Obtained the service charge accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of the Landlord;
  - b) checked, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that they inspected; and
  - c) checked whether the balance of service charge monies for this property reconciled to the bank statement for the account in which the funds are held.
52. Blackwell Bate's report of factual findings was as follows: (1) They found the figures in the statement of account to have been extracted correctly from the accounting record; (2) They found that those entries in the accounting records that were checked were supported by receipts, other documentation or evidence that they inspected; (3) They found that the balance of service charge monies reconciled to the bank statement.
53. Blackwell Bate drew attention to the following matters on which they were unable to fully satisfy themselves: (1) No balance sheet was prepared in respect of either the 2018 or 2019 service charge accounts. They were unable to fully satisfy themselves on the opening position. (2) It is apparent that not all service charge contributions due from primary leaseholders for the year were banked and they understood that there were substantial arrears outstanding from previous years, they were assured that strenuous efforts would be made to quantify and collect these arrears; (3), As there have been insufficient funds within the bank account, not all expenditure incurred had been met from this source, they were assured that all expenditure not paid from this source has been met from other sources.
54. Mr Roberts of Blackwell Bate supplied a response to Mrs Meyrick's witness statement [87- 100] in which he explained the expenditure under the various budget heads challenged by Mrs Meyrick. Mr Roberts also attached to his response the full lists of nominal costs for various expenditure heads for the year ended 31 March 2019. The lists of transactions for each expenditure head for each period were attached to the Profit and Loss accounts which had been supplied to the Applicants.
55. At the request of Mr Carter, Mr Roberts provided copies of the following supplier invoices: Otis, AWL, DFR Roofing and Proclean South West Limited which substantiated the details of the cost entries in the respective lists of nominal costs for the specific budget head. Mr Roberts also made available to the Applicants the Cloud based Xero records so that they could make their own enquiries about the supporting evidence for the service charge statements for the periods in

question. The Tribunal understands the Applicants did not avail themselves of the offer made by Mr Roberts.

56. The Tribunal was impressed with the thoroughness of Blackwell Bate when preparing the service charge statements for the periods in question. The Tribunal is satisfied that the expenditure recorded in the service charge statements was reliable and had a sound evidential basis. The Applicants at the hearing with a few exceptions did not challenge that the expenditure recorded in the statements had been incurred by the Respondent.
57. Mr Jason Short in his witness statement acknowledged that some of the payments recorded were not strictly clear and in the spirit of full disclosure these have been listed and provided rather than making assumptions. Mr Jason Short also added there were invoices included in the Fire Alarms and Extinguishers expenditure head that did not relate to the property, which he said the accountant would not have known about. Mr Jason Short stated that he had advised his accountant to agree these amounts with Mrs Meyrick.
58. In the Tribunal's view the problems for the Respondent's case posed by the sudden death of Mr James Short were ameliorated somewhat by the record of previous Tribunal proceedings. Mr Jason Short was also able to submit in evidence statements given in those previous proceedings by his brother, Mr James Short.
59. The Tribunal placed weight on the findings of the previous Tribunals which gave an independent view of some of the issues under dispute. The Tribunal observes that since the Respondent had become the freeholder of the property in 2014, successive Tribunals on the whole have found the service charges imposed reasonable and payable by the Applicants, that the communal parts of the building were clean and in reasonable decorative order, and that there was no specific failure on the part of the Respondent to maintain the building. The Tribunal considers the findings of the previous Tribunal decision released 5 June 2019 particularly relevant because it dealt with the circumstances of the property in the period of time covered by this Application.
60. The Applicants argued that the Tribunal should prefer the evidence of Mr Gerrard, the Tribunal Appointed Manager, to the findings of the previous Tribunals, particularly in relation to the condition of the building. The Tribunal decides that Mr Gerrard's evidence did not contradict the findings of the previous Tribunals. This Tribunal observes that just before the death of Mr James Short the Tribunal was not satisfied that there were grounds to appoint Mr Gerrard as manager. Mr Gerrard only became Manager because of the management void created by the departure of Mr James Short.

61. The Tribunal also formed the view that Mr Gerrard's evidence supported the Respondent's case in two important respects. Mr Gerrard in his report dated 11 June 2020 to the Tribunal [28a to 28f] referred to a list of major issues which made the management of the Property difficult, namely:
- a. Police attendance on several occasions to arrest different persons in connection to their enquiries.
  - b. Police drugs raids on the south block and subsequent arrests.
  - c. An attempted burglary of an apartment.
  - d. Two attempted suicides.
  - e. Ten plus emergency maintenance callouts attended to out of hours.
  - f. Vandalism to the middle block front door which resulted in damage to the main locks.
  - g. Several false fire alarm reports.
  - h. The continuous removal of abandoned belongings (Sofas, Beds etc) from the communal hallways and stairwells.
  - i. Several noise disturbances reports of residents partying to all hours of the night and morning.
62. Mr Tallon for the Respondent testified in his witness statement that most of the management problems associated with the property were caused by the large number of apartments let by long leaseholders on short term lets. Mr Tallon said that the short term lets generated a host of unwanted items and rubbish in the communal areas including mattresses, furnishings and large items. Mr Tallon identified in particular those apartments which were used for Airbnb. Mr Tallon also stated that there were problems with rough sleepers in the bin stores.
63. Mr Gerrard also reported that leaseholders' non-payment of service charge remained a serious concern of his and one that he was desperately trying to regain control of. Mr Gerrard stated that as at 11 June 2020 the amount of arrears (£39,785.56) exceeded the amount of service charges (£38,781.61). Mr Gerrard said that approximately 40 per cent of leaseholders had stopped paying service charges. Mr Carter suggested to the Tribunal that the leaseholders' non-payment of service charge was based on a misunderstanding that they were paying twice for service charges. The Tribunal is not persuaded by Mr Carter's

explanation. The deficit reported upon by Mr Gerrard represented the position at 11 months into his appointment.

64. More significantly the level of non-payment experienced by Mr Gerrard was similar to that experienced by Mr James Short when he managed the property in his capacity as the Respondent's director. Mr Jason Short in his witness statement stated that a considerable sum of money representing approximately 50 per cent of sums due have not been paid in almost every year. Mr Jason Short blamed Mrs Meyrick and Mr Carter for encouraging leaseholders not to pay. The Tribunal in June 2019 repeated what had been said in the previous Tribunal decision that the leaseholders cannot expect services to be provided if they do not pay their share of reasonable costs. The Tribunal also remarked that if leaseholders unreasonably withheld service charges then this made the property very difficult to manage satisfactorily.
65. Mrs Meyrick argued that the Respondent's statement that the leaseholders owed thousands of pounds for committed service charges was wholly misleading. Mrs Meyrick contended that there was a cumulative surplus of £78,217.25 in the leaseholders' service charge account. The Tribunal is not concerned in this decision to determine the correctness of Mrs Meyrick's contention. The Tribunal, however, observes that Mrs Meyrick's calculation of the surplus depended upon service charges which predated the Respondent's ownership of the property. As Mr and Mrs Meyrick's lease postdates 1996 they would not be entitled to set off the surplus accumulated prior to the Respondent's ownership of the property, if there was one, against the service charges demanded by the Respondent. The Tribunal observes that Mrs Meyrick did not dispute the Respondent's statement that she and other leaseholders have withheld payment of service charges to the Respondents even after determinations by previous Tribunals on the reasonableness of those charges.
66. Mr Jason Short said that in view of the widespread withholding of the service charges, his brother, Mr James Short, personally financed substantial costs for the property and also transferred monies from other accounts into the Respondent's account to provide cover for significant periods of non-payment and to fund much needed projects for the property. Mrs Meyrick suggested there was no evidence to substantiate that Mr James Short personally financed suppliers' invoices. The Tribunal finds that Mr Jason Short's evidence is credible, and supported by the evidence of Mr Williams and Mr Tallon.
67. The Tribunal summarises its findings in respect of the overall context before considering the individual items of expenditure.
  - a) The expenditure recorded in the service charge statements was reliable and had a sound evidential basis. The Applicants did not challenge except in a few instances that the expenditure



recorded in the statements had been incurred by the Respondent.

- b) Since the Respondent had become the freeholder of the property in 2014, successive Tribunals on the whole have found the service charges imposed reasonable and payable by the Applicants, that the communal parts of the building were clean and in reasonable decorative order, and that there was no specific failure on the part of the Respondent to maintain the building. The last Tribunal decision was made just prior to the death of Mr James Short, and its findings reflected the state of affairs at the period covered by the Application.
  - c) The number of short-term lets and Airbnb's at the property posed significant challenges for the proper management of the property.
  - d) The Respondent was hampered with the management of the property by the high rate of non-payment of service charges by the leaseholders. This also resulted in Mr James Short from time to time personally funding the expenditure for the property.
68. In this case the Respondent has discharged its fiduciary duty to account for the service charges which were the subject of the Application. The Tribunal has found that the Respondent has incurred the costs which are disputed. The Applicants, therefore, are required to demonstrate a prima facie that the costs incurred are not reasonable or the works are not to the required standard. If the Applicants establish a prima facie case it is for the Respondent to rebut it.

69. The Tribunal now considers the individual charges.

### **Audit and Accountancy**

70. The charges were £6,240 (1 April 2018 – 31 March 2019) and £3,480 (1 April 2019 to 21 July 2019). The Tribunal is satisfied that the Respondent has incurred the costs for audit and accountancy.
71. The Applicants state that the accounting fee has not exceeded £1,000 in previous year which in their view provided guidance for what would be a reasonable cost for the service. The Applicants, therefore, proposed a charge of £1,000 for the year ended 31 March 2019 and a charge of £700 for the shorter period ended 21 July 2019.
72. Mr Jason Short explained that when his brother died there was no-one in authority to address or determine matters relating to the Respondent's financial affairs. The managing agent, Full Circle Property Management Ltd, which was also controlled by Mr James

Short, ceased to trade and was placed in receivership immediately on the death of his brother. Mr Jason Short had no access to the office of the managing agent, and to the paperwork which was removed from the premises by persons unknown. Mr Jason Short decided to appoint Mr Roberts of Blackwell Bate to prepare the Company's accounts and the service charge statement for the property. Mr Jason Short explained that this was an inordinate slow process because of the volumes of storage boxes, the need to locate missing paperwork and the banks' reluctance to release information without orders from the Tribunal and the Court. Mr Jason Short added that this all occurred during Covid restrictions which added further complications.

73. Mr Roberts explained that the costs incurred in the period up to 31 March 2019 were mainly for the gathering of supporting information for the Tribunal process. Mr Roberts stated that leaseholders should accept that if they wished to challenge service charges then pulling together the information in a format suitable to the Tribunal would incur significantly higher costs than simply preparing a forecast service charge statement. Mr Roberts emphasised that the costs incurred were solely for the purposes of the Tribunal process which was why they were allocated to the service charge accounts.
74. Mr Roberts stated that the costs incurred in the period up to 21 July 2019 related to the raising of service charge accounts for each Apartment, all the book keeping to bring the period up to date and also to prepare the service charge accounts. Mr Roberts said there were issues with missing information and that he had to use more expensive staff to reduce errors.
75. The Applicants argued that the leaseholders could not be held financially responsible for additional accountancy work required solely due to the Respondent failing to maintain and protect its financial records and documentation.
76. The Tribunal finds that Blackwell Bate incurred the costs on the preparation of the service charge statements for the periods ended 31 March 2019 and 21 July 2019. The Tribunal has already indicated that it was impressed with the thoroughness of Blackwell Bate when preparing the service charge statements for the periods in question. Further the Tribunal found that the expenditure recorded in the service charge statements was reliable and had a sound evidential basis.
77. Under paragraph 1(c) of Part 1 of the Fifth Schedule the Landlord is entitled to recover through the service charge the costs of keeping the accounts and the preparation of the service charge statement. Paragraph 2 of Part 1 of the Fifth Schedule expands upon the Landlord's obligations in respect of the accounts which are specific and onerous. The obligations include a detailed account of service costs; sufficient particulars to show the amount spent on each category of

expenditure and certification by a Chartered Accountant that it is fair summary.

78. The Tribunal is satisfied that the work done by Blackwell Bate fell squarely within the landlord's obligations in connection with the service charge accounts. The fact that the Landlord had charged £1,000 in the past for the provision of accountancy services was not decisive of the question of reasonableness. The Tribunal noted that Mr James Short had in fact before his death included a figure of £1,400 in the proposed budgets for the years ended 31 March 2019 and 31 March 2020.
79. The Tribunal considers that when assessing the reasonableness of the charges it must have regard to the actual circumstances of the work done. Both Mr Jason Short and Mr Roberts have explained the challenges faced by them in preparing the accounts following the death of Mr James Short. The Applicants have not adduced evidence to the contrary and have not demonstrated that the work carried out by Blackwell Bate was unnecessary. Mr Carter suggested that the Respondent only had to produce a summary statement. The Tribunal points out that a summary statement did not represent the Landlord's obligations under the lease. The Tribunal also considers that the Applicants would not have been satisfied with such a statement having regard to their approach in the current and past Tribunal proceedings where they have questioned expenditure in the minutest detail.
80. Having regard to the above findings the Tribunal determines that the charges of £6,240 (1 April 2018 – 31 March 2019) and £3,480 (1 April 2019 to 21 July 2019) have been reasonably incurred and are payable by the Applicants.

### **Bank Fee**

81. The Applicants agree liability to pay the charges of £288.54 (1 April 2018 – 31 March 2019) and £55 (1 April 2019 to 21 July 2019).

### **Car Park Charges**

82. The Applicants agree liability to pay the charges of £468 (1 April 2018 – 31 March 2019) and £156 (1 April 2019 to 21 July 2019).

### **Cleaning and Gardening**

83. The charges were £30,749.86 (1 April 2018 to 31 March 2019) and £4,133 (1 April 2019 to 21 July 2019). The Applicants proposed charges of £10,710 (1 April 2018 to 31 March 2019) and £3,360 (1 April 2019 to 21 July 2019)

84. The charge of £30,749.86 comprised £14,280 for the services of Proclean, cleaning contractor and £16,469.86 for the wages of a Mr C Pickthall and Mr S Tasker. The charge of £4,133 comprised the wages of Mr C Pickthall and Mr S Tasker which are set out in more detail in the list of cleaning and gardening transactions attached to the profit and loss account for the period ended 21 July 2019.
85. The Applicants argued that it was not necessary for Proclean contractors to be engaged for 16 hours per week to clean the property. The Applicants accepted that the hourly rate of £17.50 charged by Proclean Contractors was reasonable. The Applicants relied on the Tribunal decision released on 12 March 2014 which determined that 12 hours was sufficient to clean the property in 2011 and 2012. The Applicants stated that there were no invoices for cleaning the property for the period ended 31 July 2019, but they accepted the property had been cleaned during that period. The Applicants offered no comparable quotes of cleaning contractors as evidence. Finally, the Applicants maintained that no charges for gardening were warranted as the areas were small.
86. The Respondent relied on the evidence of Mr Tallon and Mr Gerrard about the necessity to clean all three buildings weekly and bin areas three times a week and the constant removal of abandoned belongings (sofas, beds etc) from the communal hallways and stairwells to meet the demands placed on the property by the fluctuating population of short term lets and Airbnb's and its City centre location.
87. Mr Jason Short pointed out that his brother in 2016 had sub-contracted the cleaning to a different company Proclean and required it to clean the property for 16 hours a week. The Tribunal of 9 October 2018 had determined that 16 hours of cleaning per week was reasonable for this property. Mr Jason Short insisted that gardening was carried out on regular basis.
88. The Tribunal finds that (1) the Applicants had not challenged the wages costs of Mr Pickthall and Mr Tasker (2) The Applicants accepted that the property had been cleaned on a regular basis (3) The Applicants' sole objection was to the number of hours spent cleaning by Proclean. The Applicants had overlooked the fact that the Tribunal in 2018 had determined that 16 hours were reasonable (4) The nature of the property and the characteristics of its occupants placed enormous demands in respect of keeping the property clean and free of unwanted goods.
89. The Tribunal determines that the charges of £30,749.86 (1 April 2018 to 31 March 2019) and £4,133 (1 April 2019 to 21 July 2019) have been reasonably incurred and are payable by the Applicants.

## **Electricity**

90. The charges were £13,540 (1 April 2018 to 31 March 2019) and £5,589 (1 April 2019 to 21 July 2019). The Applicants proposed charges of £9,683.10 (1 April 2018 to 31 March 2019) and £2,783 (1 April 2019 to 21 July 2019).
91. The Applicants pointed out that the list of transactions included invoices from other suppliers including EDF and N Power. The Applicants stated that these invoices should be excluded because the sole supplier of electricity at the property was British Gas. Mrs Meyrick provided a statement from British Gas dated 18 August 2020 which showed that the total invoiced for the Property for electricity was £12,028.69 for the year ended 31 March 2019 and £3,456 for the period ended 21 July 2019.
92. Mrs Meyrick referred to previous Tribunal determinations which had adjusted the VAT charged at the electricity bills to 5 per cent which was the correct rate for domestic usage. According to the Applicants this produced adjusted charges of £9,683.10 (1 April 2018 to 31 March 2019) and £2,783 (1 April 2019 to 21 July 2019).
93. Mr Jason Short stated that British Gas was unwilling to change the billing regime and that he was unable to negotiate the VAT rate due to the failure to pay service charges.
94. The Tribunal accepts the Applicants' analysis of the charges for electricity. The Tribunal determines that the charge of £9,683.10 (1 April 2018 to 31 March 2019) and £2,783 (1 April 2019 to 21 July 2019) have been reasonably incurred and are payable by the Applicants.

## **Essential roof repairs**

95. The charge for essential roof repairs was £6,890.68 for the year ended 31 March 2019. There was no charge for the period ended 21 July 2019.
96. The Applicants stated that the charges of £6,890.68 were covered by insurance payments of £89,000 and were not payable.
97. Mr Roberts for the Respondent stated that the insurance monies were for specific failings and did not cover the repairs identified under this expenditure head. The Applicants did not challenge the specific entries in the list of transactions supporting the costs of the essential roof repairs.
98. The Applicants referred to Mr Gerrard's report which stated that he had carried out a full roof survey. This identified that the roof had been

badly repaired (patched over) for many years and those repairs were now failing, and that the roof should now be replaced. The Applicants suggested that this indicated that the essential repairs undertaken in the year ended 31 March 2019 were not to the required standard. The Applicants offered no specific evidence that the works actually undertaken were not to the required standard. The Tribunal notes that Mr James Short had informed the leaseholders that the Respondent was intending to carry out major works to the roof in 2019 subject to the funds being in place.

99. The Tribunal is satisfied that the Applicants have failed to establish a prima facie case that the costs for the essential roof repairs were unreasonable and that the works were not to the required standard. The Tribunal, therefore, determines that the costs of £6,890.68 were reasonably incurred and payable by the Applicants.

### **Fire Alarms & Extinguishers**

100. The charges were £10,970.58 (1 April 2018 to 31 March 2019) and £372 (1 April 2019 to 21 July 2019). The Applicants proposed charges of £9,911.95 (1 April 2018 to 31 March 2019) and £87.60 (1 April 2019 to 21 July 2019).
101. In respect of the year ended 31 March 2019 the Applicants challenged three categories of invoices. The first category of invoices concerned work carried out at a different property (City View Apartments) and involved a sum of £629.15. The Respondent agreed with the Applicants that this sum should not be included.
102. The second category of invoices involved faults to the alarm system which the Applicants said were the responsibility of the tenants of the individual apartments. The amount involved was £341.88. The Applicants contended that this amount should not be charged to the service charge, and that the individual tenants should be liable to pay for their respective costs of the repair to the alarm system. The Tribunal disagrees with the Applicants' contention. The Respondent as Landlord is responsible to pay the costs of the repair under its contract with AWL, the contractor for the maintenance of fire alarms. The Landlord is entitled to recover such costs through the service charges as it is a cost against the fire alarm system which benefits the property as a whole. If the Applicants wish the Respondent to take action against individual leaseholders for breach of covenant, the Applicants must indemnify the Respondent for the costs of taking such action.
103. The third category of invoices concerned a charge of £87.60 where the fault identified was due to a dusty environment. The Applicants argued that the Respondent should bear the cost of this repair because the leaseholders pay for the property to be cleaned. The Tribunal disagrees with the Applicants. The Tribunal finds that there was no evidence that

the dusty environment was caused by the Respondents' failure to clean the property to the required standard. The fact that this was the only occasion during the year when the fault was attributable to a dusty environment suggested that it was a one-off event due to exceptional circumstances beyond the Respondents' control.

104. In respect of the period ended 21 July 2019 the Applicants objected to the charge of £284.40 because there was no invoice for the works completed. The transaction report recorded the £372 as "spend money" for "Ace Fire Equipment". The Applicants have put forward no reasons why the entry was inaccurate. The Tribunal notes that the Applicants did not object to similar entries in the list of transactions for the year ended 31 March 2019. Mr Williams of AWL Group Limited albeit a different company from Ace Fire Equipment, gave evidence that Mr James Short made payments on his personal credit card to fund works until he collected in the arrears from leaseholders. Given the above circumstances the Tribunal is satisfied that the charge of £372 has been incurred on the provision of services to the property. The Applicants have made no case that the charges were unreasonable.
105. The Tribunal determines that the charges of £10,341.43 (1 April 2018 to 31 March 2019) and £372 (1 April 2019 to 21 July 2019) have been reasonably incurred and are payable by the Applicants.

## **Insurance**

106. The charges were £5,255.49 (1 April 2018 to 31 March 2019) and £1,570 (1 April 2019 to 21 July 2019). The Applicants proposed that no sums were due for insurance.
107. The Applicants stated that no insurance costs were chargeable to the leaseholders because the buildings insurance was voided by the insurer which took effect from the 2 July 2018. The Applicants further said that the building remained uninsured until Mr Gerrard insured the property three weeks into his tenure as interlocutory manager.
108. Mr Gerrard stated that Covea Insurance had originally insured the property but had revoked it some months earlier than August 2019 for reasons unknown. The effect of the revocation was to void the policy from the date of its inception 2 July 2018. In December 2019 Mrs Meyrick corresponded with Mr Jackson Head of Financial Crime at Covea Insurance to ascertain whether fraudulent claims had been submitted to the insurance company. Mr Jackson made it clear that only one claim from the Respondents had been investigated by his team.
109. Mr Jason Short stated that the policy was valid on acceptance and was paid for by monthly instalments. Mr Jason Short said that following a

number of claims caused in the main by internal water leaks within individual apartments, the number of claims triggered an inspection. According to Mr Jason Short, Covea decided to revoke the policy in June 2019 because his brother, James Short, had not disclosed a personal County Court Judgment against him. Mr Jason Short stated that that his brother was unaware that personal financial matters were relevant to disclosure, and he disputed the revocation and continued to pay the premiums. Mr Jason Short stated that all claims against the policy had been assessed by a loss adjuster and not by his brother. Further Covea had not refunded any premiums and all claims had been met up to the point of dispute. Mr Jason Short argued that the insurance premiums paid by his brother were a valid charge and should not be reduced. Mr Jason Short added that the County Court Judgment which caused this issue was a direct result of his brother personally financing the costs of the property due to the unpaid service charges. In Mr Jason Short's view, it would seem unjust and inequitable for those leaseholders who had not paid their service charges to receive a further entitlement where no entitlement should be due.

110. The Tribunal noted that the hearing bundle contained a list of the Claims Experience for the Respondent starting in May 2018 to March 2019. The list had the name of Paul Hatherly dated 7 August 2019. The list contained details of 12 claims, 10 related to internal water leaks, one malicious damage by a tenant, and one for water ingress from roof. According to Mr Hatherley, Covea had settled the first eight claims and had asked for the monies to be returned but none had been forthcoming with the result that the costs have been written off.
111. The Tribunal observed from the schedule of insurance transactions that the Respondent had paid the insurance premium on a monthly basis. Mr Carter argued that no allowance should be made for the insurance premiums paid prior to July 2018 because they would have been covered by the previous year's insurance. Mr Carter adduced no evidence to substantiate his assertion.
112. The Tribunal is satisfied that there was buildings insurance in place prior to 2 July 2018, and that the Respondent had made monthly payments towards the premium. The Tribunal notes that the schedule of insurance transactions recorded two monthly payments of £494.64 on 3 April and 3 May 2018 respectively. The Applicants have raised no issues about the reasonableness of the charges. The Tribunal determines that the premiums paid in the sum of £989.28 for the insurance in place before 2 July 2018 were reasonably incurred and payable by the Applicant.
113. The Tribunal finds credible Mr Jason Short's explanation of the events leading to the revocation of the insurance policy. The Tribunal, however, is not convinced that it provides a sufficient basis to enable the Respondent to recover the premiums paid for the policy from the 2



July 2018 through the service charge. The terms of the lease determine the leaseholders' liability to contribute to the landlord's costs. Clause 8 of the lease requires the Landlord to insure and to keep the building insured in an insurance office of repute to be selected by the Landlord in such sum as represents the full reinstatement value and cost of the Building against loss or damage by Insured risks. The fact is that the Respondent did not keep the building insured throughout the relevant period because the insurance company decided to revoke it from the date of its inception. The issue of whether the insurance company was correct to take this course is not a matter for the Tribunal to determine. This is for the Respondent to resolve with Covea, and if the Respondent has a case to ask Covea to repay the premiums. Equally the facts that the Respondent had paid the premiums, and some leaseholders obtained a benefit from the insurance policy did not detract from the Landlord's covenant to keep the building insured. The Tribunal, therefore, decides that the Applicants are not liable to contribute to the costs of the insurance from 2 July 2019.

114. The Tribunal determines that the charge of £989.28 (1 April 2018 to 31 March 2019) has been reasonably incurred and are payable by the Applicants. The Tribunal determines that the Applicants have no liability to contribute to the charges for insurance incurred during the period (1 April 2019 to 21 July 2019).

### **Lift Servicing**

115. At the hearing the parties agreed on a charge of £4,596 for the year 1 April 2018 to 31 March 2019. There was no charge for lift servicing for the period 1 April 2019 to 21 July 2019.

### **Lift Telephone**

116. The charges were £1,080 (1 April 2018 to 31 March 2019) and £450 (1 April 2019 to 21 July 2019). The Applicants proposed a sum of £450 for the year ended 31 March 2019, and no charge for the period ended 21 July 2019.
117. The Applicants stated that the lift telephone service was purchased from Virgin Media and paid for by a £90 a month direct debit which provided a maintenance cover should the lift telephones fail. The Applicants said there were only five monthly direct debits detailed in the bank statement, commencing from the 15 August 2018 through to the 17 December 2018. According to the Applicants the lift telephone service maintenance cover was not available without a direct debit payment. The Applicants said that they should only pay for when the lift telephones maintenance was available which was 5 x £90 totalling £450.

118. The Applicants asserted there was no evidence in the bank statements that any monthly direct debits were in effect and incurred by the Respondent during the charging period ended 21 July 2019 for the lift telephone service. The Applicants also asserted there was no evidence that the lift telephone service was actually in operation during the period ended 21 July 2019. The Applicants asserted that they could not be charged for a service not provided.
119. The Tribunal noted that the list of transactions for lift telephones recorded manual payments of £90 per month. Mr Roberts of Blackwell Bate reported that there were no arrears on the invoices for Virgin Media which provided the telephone service. According to Mr Roberts, Mr James Short paid for some of the service charge expenses privately because the bank account was short of funds due to the service charge arrears.
120. Mr Carter when asked by the Tribunal was unable to substantiate the Applicants' assertion that no service was provided. The Tribunal is satisfied that the Respondents incurred the costs for the lift telephone. The Tribunal finds that the Applicants have failed to establish a prima facie case that the service was not to the required standard.
121. The Tribunal determines that charges of £1,080 (1 April 2018 to 31 March 2019) and £450 (1 April 2019 to 21 July 2019) have been reasonably incurred and are payable by the Applicants.

### **Management Charge**

122. The charges were £18,600 (1 April 2018 to 31 March 2019) and £5,707 (1 April 2019 to 21 July 2019). The Applicants proposed a sum of £9,300 for the year ended 31 March 2019, and no charge for the period ended 21 July 2019.
123. The Applicants stated that they commenced proceedings for a Tribunal appointed manager in November 2018 which they said raised a number of unresolved management issues, serious fire hazards, fire alarm errors not being fixed, lack of vital lift repairs, and no action taken by Landlord to remediate essential maintenance items, and no management action to deal with issues raised by tenants regarding rough sleeping in the bin stores, highly visible prostitution and drug dealing in the Premises. They then became aware that property was not insured for most of the charging period ended 31 March 2019.
124. The Applicants contended that there was very limited management activity from the 1 April 2019 to 21 July 2019. According to the Applicants, Mr James Short appeared to be in poor health and several key individuals had left the employment of the management company for the Respondent.

125. The Applicants relied on the report of Mr Gerrard, the Tribunal Appointed manager dated 11 June 2020 and his witness statement dated 15 July 2020. Mr Gerrard in his witness stated that three of the lifts in the building had not been serviced since early 2018, the fire safety report had highlighted a major concern with the smoke risers, and that the building throughout was found to be in poor materialistic condition with very little evidence that monies had been spent on its upkeep for some considerable time. Mr Gerrard in his report of 11 June, however, acknowledged that the property was very difficult to manage which was connected with the transient community at the property and its location close to the City Centre and that he had a serious concern with non-payment of service charge by leaseholders.
126. The Applicants pointed out that the management charge for Mr Gerrard and his company had almost trebled when he took over management of the property. The Applicants contended that the increased fee was a direct result of the problems at the property.
127. The Applicants requested the Tribunal to reduce the management fee for the year ended 31 March 2019 by 50 per cent which would produce a charge of £9,300, and to make no order for management fee for the period ended 21 July 2019.
128. The Tribunal noted that the list of transactions for management charge reported a monthly management charge of £1,550 making a total of £18,600 for the year ended 31 March 2019 and a charge apportioned for 112 days making a total of £5,707 for the period ended 21 July 2019. The source of the entries was recorded as manual journal. Mr Roberts of Blackwell Bate reported that the management fee related to staff costs and were paid throughout the periods in question. Mr Roberts also pointed to the fact that the fee now paid to Mr Gerrard and FMS Limited was much higher.
129. Mr Jason Short produced letters to leaseholders from his late brother, Mr James Short, which enclosed the service charge statement of account for the year ended 31 March 2019 and the projected cash flow forecast for the year ended 31 March 2020. Mr James Short informed the leaseholders that the estimated expenditure for the year ended 31 March 2020 was expected to be £1,050 per unit which included essential works to the smoke ventilation system, additional works to the roof areas and an inspection of all the bathrooms in the building due to the high level of leaks experienced in the last year. Mr James Short stated that the Respondent was continuing to build a reserve fund with the intention of having the property externally redecorated. Mr James Short, however, added that unfortunately the service charge account remained in negative balance due to the continued non-payment of service charges by individuals in the property.

130. The Respondent produced a witness statement from Michael Williams of AWL Group Limited dated 26 July 2018. Mr Williams testified to a meeting with Mr James Short in 2018 about the three fire detection control panels which were beyond their service life and the smoke ventilation system which was also failing. Mr Williams stated that he and Mr James Short went through the estimated costs of the works, and that Mr James Short was honest and explained that there were difficulties due to the service charge being in negative balance as a result of non-payment by a number of leaseholders. Mr Williams said that Mr Short personally financed the works for the fire detection systems but that they were unable to commence works on the smoke ventilators because of the sudden death of Mr James Short. Mr Williams also mentioned that he had received a telephone call from Mrs Meyrick accusing Mr James Short of being a bad payer and had apparently left debts all over Plymouth which Mr Williams found inappropriate and offensive.
131. The Respondent supplied a witness statement from Mr Damian Tallon who worked for Mr James Short as a maintenance manager for 10 years leaving in 2018. Mr Tallon commented that he was surprised to hear that Mr Gerrard had stated that the property was in a bad state of repair. Mr Tallon said that had completed a visual inspection of the property with Mr Pat Hendy from FMS in July 2019 shortly after Mr James Short's sudden death. Mr Tallon report that Mr Hendy had said the property was in a satisfactory condition but needed upgrading due to the age of the building and related wear. Mr Tallon confirmed that during his time as maintenance manager that all works were completed by his team to the best of their ability and on a regular basis. Mr Tallon said that the financial constraints resulting from a lack of service charge funds often made this difficult in terms of timescales and planning. Mr Tallon stated that he was aware that Mr James Short personally covered significant costs including staff wages and sub-contractors' invoices to ensure works were completed where possible and individuals were paid.
132. The Tribunal's decision of the 5 June 2019 supported the Respondent's contention that the property was managed to a reasonable standard. The Tribunal found that there was no evidence of a specific failure to maintain the property, and that there were no grounds to make an order to appoint a manager. The Applicants' reliance on the eventual appointment of Mr Gerrard as manager was misplaced because it related to entirely different circumstances arising from the sudden death of Mr James Short which had no relevance to the periods prior to his death.
133. The Tribunal concludes that the Applicants have failed to demonstrate that the management of the property fell below the required standard. The Respondent engaged Full Circle Property Management Limited of which Mr James Short was the sole director to manage the property. The Tribunal is satisfied that the evidence demonstrated that Full Circle

Management had regular routines for maintaining the property and that it had put in plans to deal with the defects identified by Mr Gerrard in respect of fire safety and the roof. Mr James Small had personally paid for the works on the fire detection panels. The Tribunal finds that the non-payment of service charges was the major obstacle to progressing the required works to the property, and not a failure on the Respondent's part to manage the property. The Tribunal's decision of 5 June 2019 was significant because it represented an independent view of the state of the management of the property during the period covered by this application. That Tribunal confirmed that there were no significant management failings on the Respondent's part.

134. The Applicants placed weight on the fact that the property was uninsured for most of the periods in question. The Tribunal when it considered the charges for insurance decided that Mr Jason Short gave a plausible explanation of the events leading to the revocation of insurance which showed that it was not a deliberate act by the Respondent to leave the building insured. Although Mr Short's explanation was insufficient to enable the Respondent to recover the costs of the insurance premium through the service charge, the Tribunal does not consider the circumstances merit the Respondent being penalised twice for the same act.
135. The Tribunal is satisfied that the charges were incurred by the Respondent. The Tribunal finds that the Applicant has failed to establish a case that the charges were unreasonable.
136. The Tribunal determines that charges of £18,600 (1 April 2018 to 31 March 2019) and £5,707 (1 April 2019 to 21 July 2019) have been reasonably incurred and are payable by the Applicants.

### **Rates (Water Charges)**

137. The charge was £92,538.28 (1 April 2018 to 31 March 2019). There were no water charges claimed for the period 1 April 2019 to 21 July 2019. The Applicants contended they had no liability to pay the water charges for the property.
138. Mrs Meyrick stated that South West Water on 1 February 2019 obtained judgment against the Respondent for non-payment of water charges in the sum of £93,094.86. Mrs Meyrick said it was this amount which the Respondent was recovering through the service charge. Mrs Meyrick said that South West Water was satisfied that there was sufficient proof that the leaseholders had been invoiced by the Respondent and paid the Respondent for their water usage which was its reason for taking the proceedings. Mrs Meyrick accused the Respondent of attempting to claim their un-paid debt to South West Water from the leaseholders via the service charge account, which she said had already been paid for by the leaseholders. Mrs Meyrick

asserted that this was a brazen attempt by the Respondent to recover the water costs twice.

139. Mrs Meyrick attached to her witness statement an email from South West Water dated 1 March 2019 which was in response to Mrs Meyrick's phone call and letter enquiring about the court proceedings taken by South West Water against the Respondent. South West Water commented that without Mrs Meyrick's assistance it was possible that the claim against the Respondent would not have been successful. South West Water reported that at the hearing on 1 February 2019 it obtained judgment against the Respondent in the sum of £93,094.86. South West Water refused to disclose any further details because the agreement between the parties was confidential and prohibited disclosures of the terms by either party.
140. Mrs Meyrick contended that the payment of water charges was in any event the liability of individual leaseholders, and that the Respondent should pursue the individual leaseholders for non-payment of water charges if the individual leaseholder had not paid. Mrs Meyrick said that hitherto water charges had never formed part of the service charge.
141. Finally, Mrs Meyrick asserted that the leaseholders were not aware that the debt to South West Water would qualify as a service charge until it appeared in the Statement of Costs provided by Respondent on the 27 May 2021. Mrs Meyrick said the leaseholders had not received a prior demand for water charges as part of the service charge. Mrs Meyrick argued that the time restriction of 18 months under section 20B of the 1985 Act applied, and that the Respondent was prevented from recovering the water charges through the service charge because the debt had incurred more than 18 months before the date of the statement of costs.
142. The list of Rates Transaction recorded a brought forward balance of £85,440.59 and a payable invoice in various amounts for the months of June, July, August and September 2018 which made up the grand total of £92,538.28 for the year ended 31 March 2019. There were no rating transactions recorded for the period ended 21 July 2019.
143. Mr Jason Short relied on Mr James Short's witness statement to the Tribunal dated 31 January 2019. Mr James Short explained that when the Respondent purchased the freehold in 2014 it refused to accept liability for the water charges for individual apartments. Mr James Short said that South West Water wanted the Respondent to take meter readings, invoice the water to individual lessors and then collect payment at its own cost as well as paying any water bills that were not collected. Mr James Short added that he was due in court the following day 1 February 2019 disputing South West Water's Claim against the Respondent. Mr James Short said that he had spent approximately £45,000 fighting South West Water about this Claim, and that if the

Respondent was unsuccessful, he would be going back to the leaseholders to pay the charge. Finally, Mr James Short said he was holding £15,000 in water monies collected from tenants.

144. Mr Jason Short included an undated letter from Mr James Short to leaseholders which included the leaseholders' individual statement of account ended 31 March 2019 and the invoice for the next six month billing period. In that letter Mr James Short said that "on a positive note that the dispute with South West Water had been finalised and it had finally agreed to take over responsibility of the billing of water going forward". Mr James Short stated that he was in the process of finalising bills for individual apartments and would update leaseholders on what was happening in an upcoming newsletter shortly. Mr James Short ended the letter by stating that the Respondent was presently in the process of finalising the accounts for the 2018/19 period and a copy would be available once Thomas Wescott, the accountants, had completed them.
145. Mr Jason Short stated that he was aware from the papers an agreement had been reached between South West Water and his late brother in order to address the significant arrears resulting from the leaseholders' failure to pay their liability to pay water charges. Mr Jason Short confirmed from the accounts that the £15,000 which had been collected from the leaseholders in respect of water charges had been paid to South West Water. Mr Jason Short strongly denied Mrs Meyrick's accusations that his late brother had held more than £15,000, and that the Respondent was attempting with the charge for water rates in the year ended 31 March 2019 to recover monies already collected from the leaseholders.
146. At the hearing Mrs Meyrick was unable to produce evidence to substantiate her assertion that the Respondent was attempting to recover the same water charges twice from the leaseholders. The Tribunal formed the view from its questions of Mrs Meyrick that she and her husband had not made payments of water charges to the Respondent after it acquired the freehold in 2014 except for one payment on 21 July 2014.
147. The Tribunal makes the following findings of fact:
  - a) The charges for water included in the service charge account for the year ended 31 March 2019 represented the amounts invoiced by South West Water against the freeholder for charges for water in connection with the whole property. The charges were not the judgment debt in the sum of £93,094.86.
  - b) There was no evidence that the Respondent, with the imposition of the charge for water rates in the year ended 31 March 2019

was attempting to recover charges for water which had already been paid by the leaseholders.

- c) The evidence suggested that the previous freeholder of the property had agreed with South West Water to pay for the water charges on the property which would be calculated from the readings of the water meters for the individual apartments. The freeholder would in turn recover the costs paid to South West Water from the individual leaseholders in accordance with their water usage. This arrangement involved the individual leaseholders supplying the meter readings to the freeholder which would then invoice the leaseholders for the costs of the amount of water used. South West Water would in turn invoice the freeholder for the amount used. The nature of this arrangement was set out in a letter from Charles Cross Centre to a Mr Brown of Apartment 17 in a letter dated 17 February 2007.
  - d) The Tribunal understands from the evidence that there were problems with this arrangement which were principally due to the high number of short term lets at the property, and the difficulties of collecting accurate readings from the leaseholders.
  - e) When the Respondent acquired the freehold Mr James Short sought to change the agreement with South West Water by requiring individual leaseholders to pay their water costs direct to South West Water which would discharge the freeholders' liability to pay the water bill for the whole property.
  - f) The effects of the settlement on 1 February 2019 were to bring to an end the agreement that the Respondent would be liable to pay the water charges for the property and to cap, as at 1 February 2019 the Respondent's debt to South West Water at the sum of £93,094.86. The evidence suggested that from 1 February 2019 individual leaseholders were liable to South West Water for water charges in connection with their individual apartments. Mr Carter confirmed that individual leaseholders now pay an assessed charge for the water for their apartments to South West Water. This also explained why there were no charges for water in the service charge for the period ended 21 July 2019.
148. The Tribunal turns now to the terms of the lease. Under clause 5(3) headed "Outgoings" the Tenant covenants to pay promptly to authorities to whom they are due all rates taxes and outgoings relating to the Premises ("the apartment), including any which are imposed after the date of this lease. Thus under this clause the Tenant is liable for charges in connection with the use of water in his/her apartment to South West Water. The Tenant's obligation to pay the water charges is only engaged if the Tenant is billed direct by South West Water for water charges.



149. In this case up to 1 February 2019 South West Water billed the freeholder (the Respondent) direct for water charges for the whole building. The freeholder is entitled to recover such charges from the leaseholders through the service charge by virtue of paragraph 1(b) of The Fifth Schedule to the lease which defines service costs as including all rates, taxes, charges assessments and outgoings payable in respect of the whole building (as distinct from the premises let to the tenants).
150. The Tribunal is satisfied that the Respondent was entitled under the terms of the lease to recover the costs of the water charges from the leaseholders through the service charge. The fact that the Respondent did not charge these costs against the service charge before the year ended 31 March 2019 was because Mr James Short was in dispute with South West Water about whose liability it was to pay the water charges for the building. The Tribunal finds that the issue for past and future liabilities for water charges was settled at the court hearing on the 1 February 2019 when the Respondent accepted liability for the charges up to 1 February 2019 but not going forward.
151. The charges for water rates comprised a brought forward figure of £85,440.59 plus £7,097.69 for the year ended 31 March 2019. The Applicants have raised no challenge to the reasonableness of those charges. The Applicants, however, contended that the charges were not payable because they were not demanded within 18 months of being incurred contrary to section 20B of the Landlord and Tenant Act 1985.
152. This is a situation where the lease provides for payments on account and balancing payments if the actual service charges exceed the payment on account. The Respondent has issued demands for payment on account for the year ended 31 March 2019 which were within the 18 month time limit and therefore are not caught by Section 20B.
153. As far as the Tribunal is aware the Respondent has not yet demanded balancing payments. Section 20B would only be engaged if the Respondent demands a balancing payment, and it would then be a matter for the Applicants to decide whether they wish to challenge that demand on the basis of the 18 month rule.
154. The Tribunal, therefore, determines that the sum of £92,538.28 has been reasonably incurred and is payable by the Applicants subject to any adjustment to balancing payment demands if section 20B of the 1985 Act applies.

### **Repairs & Maintenance**

155. The charges were £9,116 (1 April 2018 to 31 March 2019) and £3,141 (1 April 2019 to 21 July 2019). The Applicants proposed charges of

- £5,450 (1 April 2018 to 31 March 2019) and £1,816.67 (1 April 2019 to 21 July 2019).
156. The Applicants submitted that some of the costs in the year end 31 March 2019 were for work covered by the £89,043 insurance payment. The Applicants accepted that some repairs and maintenance were carried out but considered that the charges were excessive when compared with previous years. The Applicants also relied on the reports of FMS Ltd which suggested that the condition of the property was poor. The Applicants considered that a figure of £5,450 was a reasonable amount for repairs and maintenance for the year ended 31 March 2019. The Applicants applied this figure pro-rata £1,816.67 (4 months of £5,450) to produce what they said was a reasonable sum for repairs and maintenance for the period ended 21 July 2019. The Applicants derived the figure of £5,450 from a previous determination of the Tribunal which decided upon this sum for repairs and maintenance in 2017/2018.
157. Mr Roberts of Blackwell Bate confirmed that insurance monies were for specific repairs which were not included in the repairs and maintenance expenditure head. Mr Roberts emphasised that the costs recorded in the list of transactions for repair and maintenance were actual costs incurred in the relevant periods. Mr Roberts had offered Mrs Meyrick access to the Cloud based Xero records to examine the documentation substantiating the entries in the transaction list but she had not taken up the offer.
158. Mr Jason Short pointed out that FMS Ltd had set the repairs budget for year ended 24 March 2021 at £15,000 which was much higher than the Respondent's figures.
159. The Tribunal finds that the Applicant did not challenge the expenditure recorded in the lists of repairs and maintenance transactions for the periods in question. The Tribunal is satisfied that the Respondent incurred the costs recorded for repairs and maintenance. The Tribunal considers the Applicants contention that the charges were unreasonable had no foundation in the facts of the case. The Applicants proposition that the Tribunal should adopt a figure of £5,450 had no relationship to the actual costs incurred, and failed to acknowledge the volatility of factors which influence the incidence of repairs and maintenance.
160. The Tribunal determines that the charges of £9,116 (1 April 2018 to 31 March 2019) and £3,141 (1 April 2019 to 21 July 2019) were reasonably incurred and payable by the parties.

## **Decision**

161. The Tribunal determines that the sum of £191,581.17 is payable by the leaseholders in respect of the service charges for the year 1 April 2018

to 31 March 2019. The contribution of each Applicant is £2,060.01 (1/93th).

162. The Tribunal determines that the sum of £20,277.00 is payable by the leaseholders in respect of the service charges for the period 1 April 2019 to 21 July 2019. The contribution of each Applicant is £218.03 (1/93rd).
163. The decisions for the individual items of expenditure are set out in the Scott Schedule.

### **Costs and Fees**

164. The Applicants applied for an order against the Respondent to reimburse the Tribunal application and hearing fees totalling £300. The Applicants also applied for Orders under section 20C of the 1985 Act and Paragraph 5A of the 2002 Act to prevent the Respondent from recovering its costs through the service charge and against the leaseholders individually.
165. The Applicants said that if the Respondent had produced accounts and supporting documents as required under the Lease then the Applicant may have had no need to apply to the Tribunal for this Determination. The Applicants asserted that the Respondent's failure to comply with the Tribunal directions regarding documentation in a timely manner had caused the Applicants much additional work to present its case. The Applicants asserted that it was only through the hard work of the Tribunal that the leaseholders finally received a statement of costs and limited supporting documents.
166. Mr Jason Short stated that there was a distinct lack of acceptance in terms of responsibility on the part of leaseholders to meet their obligations under the lease. Mr Jason Short called the leaseholders' action duplicitous and that he had been subjected to multiple attempts by the Applicants to create personal liability for him. Mr Jason Short denied that he had been deliberately delaying and withholding information. Mr Jason Short expressed his gratitude to the Tribunal recognising the very real difficulties in obtaining the information following his brother's death and the Covid restrictions. Mr Jason Short emphasised that the Applicants were given access to supporting accounting documentation but at no point did they request or attempt to access this through Blackwell Bate. Mr Jason Short insisted that the Respondent had used its best endeavours in very difficult circumstances to address all matters in the shortest possible timescales and have acted in good faith throughout.
167. Mr Roberts of Blackwell Bate considered the Applicants' application for costs unduly harsh. Mr Roberts pointed out that Mr Jason Short had worked tirelessly in the difficult circumstances of his brother's death

and the Pandemic to secure the information required for the preparation of the statement of accounts.

168. The Tribunal finds that (1) the Applicants have been largely unsuccessful with their application to challenge service charges; (2) the bundle prepared by the Applicants was selective and caused confusion for the Tribunal; (3) the Applicants' motivation for bringing the proceedings was questionable. They appeared more intent on disparaging the character of the late Mr James Short rather than addressing the evidence presented by the service charge accounts and the findings of the Tribunals since 2016; (4) the evidence demonstrated that the high rate of leaseholders defaulting with their obligations to pay service charges contributed significantly to the management challenges of this property encountered by the Respondent and the Tribunal appointed manager; and (5) the Respondent was faced with enormous difficulties in securing the required information for the accounts and it did so acting in good faith and using its best endeavours.
169. The Tribunal declines to make orders under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of schedule 11 of the 2002 Act preventing the landlord from recovering the costs of the proceedings from the Applicants direct or through the service charge. The Tribunal is satisfied for the reasons given above that the Applicants have failed to demonstrate that it is just and equitable to make such Orders.
170. The Tribunal also refuses to make an Order for the Respondent to reimburse the Applicants with the application and hearing fee. The Tribunal having regard to the facts found has exercised its discretion not to make order for reimbursement under rule 13(2) of the Tribunal Procedure Rules 2013.

**SCOTT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2019 AND PERIO ENDED 21 JULY 2019**

<b>Expenditure</b>	<b>Charge (£) ye 31 March 2019</b>	<b>Applicants</b>	<b>Tribunal</b>	<b>Charge (£) pe 21 July 2019</b>	<b>Applicants</b>	<b>Tribunal</b>
Audit & Accountancy fees	6,240.00	1,000.00	6,240.00	3,480.00	700.00	3,480.00
Bank Fees	288.54	288.54	288.54	55.00	55.00	55.00
Car Park Charges	468.00	468.00	468.00	156.00	156.00	156.00
Cleaning and Gardening	30,749.86	10,710.00	30,749.86	4,133.00	3,360.00	4,133.00
Electricity	13,540.00	9,683.00	9,683.10	5,589.00	2,783.00	2,783.00
Essential roof repairs	6,890.68	0.00	6,890.68	0.00	0.00	0.00
Fire Alarms & Extinguishers	10,970.58	9,911.95	10,341.43	372.00	87.60	372.00

Insurance	5,255.49	0.00	989.28	1,570.00	0.00	0.00
Lift servicing	5,190.29	3,127.00	4,596.00	0.00	0.00	0.00
Lift telephone	1,080.00	450.00	1,080.00	450.00	0.00	450.00
Management Charge	18,600.00	9,300.00	18,600.00	5,707.00	0.00	5,707.00
Rates ( Water Charges)	92,538.28	0.00	92,538.28	0.00	0.00	0.00
Repairs & Maintenance	9,116.00	5,450.00	9,116.00	3,141.00	1816.97	3,141.00
<b>Total</b>	<b>200,927.72</b>	<b>50,388.59</b>	<b>191,581.17</b>	<b>24,653.00</b>	<b>8,958.27</b>	<b>20,277.00</b>

## **APPENDIX 1 LIST OR APPLICANTS**

APT01 - Mr S Dima-Okojie  
APT02 - Mr & Mrs Savidge  
APT03 - Mr D Fawcett  
APT04 - Mr & Mrs Hayden  
APT05 - Miss A M Musegala  
APT06 - Mr M Rowe  
APT07 - Mr M Rowe  
APT08 - Mr & Mrs Lippet  
APT09 – Mr B Mistry  
APT10- T Psaras  
APT12 - Mr P Robins  
APT15 - Mrs S Jesty  
APT16 - Mrs S Jesty  
APT17 - Mr D Brown  
APT18 - Mr & Mrs Rae  
APT19 - Mr P Ringer  
APT20 - Mr T Magor  
APT21 - Mr Stubbs C/O M Trathen  
APT23 - Mr Spedding & Ms Scally  
APT24- Mr David Agnew  
APT26 - Mr S Panchal and Mrs A Panchal  
APT27 - Mr P Davis  
APT28 - Mrs M Benn  
APT29 - Mr J Mumford  
APT30 - Mr Elder-Dicker  
APT31 - Mr & Mrs Ray  
APT32 - Mr & Mrs Snowdon  
APT33 - Mr A Chan (G2000 Ltd)  
APT35 - Mr R Mehigan  
APT36 - Mrs C Hill  
APT37 - Mr T Coxon  
APT39 - Mr Edward Brown  
APT40 - Mr A Lidstone  
APT42 - Mrs A Bell  
APT43 - Mr & Mrs Ray  
APT45 - Mr G & Mrs M Hunter  
APT46 – Miss P Carter  
APT47 - Mr M Trathen  
APT49 - Mr & Mrs Burrell  
APT50 - Mr P Robinson  
APT51 - Mrs A Coniam  
APT52 - Mr R J Clarke  
APT53 - Mr R J Clarke  
APT54 - Mr & Mrs J Samuels  
APT55 - Mr A Marshall  
APT56 - Mr M Trathen  
APT58 - Mr N Higginson  
APT59 - Mrs D Magor

APT60 - Mr A Widdecombe  
APT61 - Mr M Guthrie  
APT62 - Mr G Bedson  
APT63 - Mrs J Tippett  
APT67 - Mr P Hodge  
APT68 - Mr P Hodge  
APT69 - Mr & Mrs Edmonds  
APT70 - Mr J Neville  
APT71 - DK Properties  
APT72 - Mr A Uncles  
APT73 - Mr M Trathen  
APT76 - Mr Yavor Asparuhov  
APT77 - Mr T Brett  
APT78 - DK Properties  
APT79 - Mrs P Meyrick  
APT81 - Mr C Teasdale  
APT82 - Mrs S Jesty  
APT83 - Mrs Johnstone  
APT84 - Mrs D Magor  
APT86 - Mr & Mrs J Samuels  
APT87 - Mr E Thurston  
APT88 - Mr A Nornable  
APT89 - Mr M Trathen  
APT90 - Mr P Osborne  
APT91 - Mr & Mrs Thornton  
APT92 - Mr M Trathen  
APT93 - Mr & Mrs Bennett  
APT94 - Mr & Mrs M Hunter



## **RIGHTS OF APPEAL**

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making application by email to [rpsouthern@justice.gov.uk](mailto:rpsouthern@justice.gov.uk).
2. 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.
3. 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.
4. 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.