

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE
SOUTHERN LEASEHOLD VALUATION TRIBUNAL**

Case number: CHI/00HA/LIS/2009/0018

In the matter of: 38 Rivers Street, Bath, BA1 2QA

And in the matter of: an application under Section 27A of the Landlord and Tenant Act 1985 (as amended) for a determination of liability to pay service charges and under Section 20C of that Act.

Between:

**Knightstone Housing Association
Limited**

Applicant

And

1. Miss Jacqueline Arcus

2. Mr. Simon Brand

Respondents

Date of application: 11 March 2009

Date of hearing: 12 October, 7 December 2009 and 19 January 2010

Members of the Tribunal: Mr. J G Orme (lawyer chairman)

Mr. J Reichel BSc MRICS (valuer member)

Mr. S Fitton (lay member)

Date of decision: 11 February 2010

Decision of the Leasehold Valuation Tribunal

For the reasons set out below, the Tribunal determines:

- 1. that the service charge payable by Miss Jacqueline Arcus to Knightstone Housing Association Limited in respect of Flat 1, 38 Rivers Street, Bath BA1 2QA is as follows:
for the year ended 31 March 2006, the sum of £754.72;
for the year ended 31 March 2007, the sum of £1,102.22;
for the year ended 31 March 2008, the sum of £930.68;
for the year ended 31 March 2009, the sum of £1,531.51;
credit is to be given for any sums paid by Miss Arcus since 1 April 2005.**

2. **that the service charge payable by Mr. Simon Brand to Knightstone Housing Association Limited in respect of Flat 2, 38 Rivers Street, Bath BA1 2QA is as follows:**
for the year ended 31 March 2008, the sum of £681.10;
for the year ended 31 March 2009, the sum of £1527.33;
credit is to be given for any sums paid by Mr. Brand since 20 July 2007.
3. **that, pursuant to Section 20C of the Landlord and Tenant Act 1985 (as amended) all costs incurred by the Applicant in connection with this application are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the Respondents.**

Reasons

The Application

1. On 11 March 2009, Knightstone Housing Association Limited ("Knightstone") applied to the Tribunal to determine the service charges payable by Miss Jacqueline Arcus ("Miss Arcus") in respect of Flat 1, 38 Rivers Street, Bath BA1 2QA for the years ended 30 September 2006, 2007, 2008 and 2009. Knightstone wished to recover arrears of service charge from Miss Arcus, who is the leasehold owner of Flat 1. The building known as 38 Rivers Street will be referred to as "the Property" and the flats in it by their numbers.
2. On 13 March 2009, the Tribunal issued directions providing for the parties to exchange written statements of case and for the application to be heard on the fast track. The parties subsequently prepared written statements in accordance with those directions.
3. On 25 March 2009, Mr. Simon Brand ("Mr. Brand") applied to be joined as a respondent to the application. Mr. Brand is the leasehold owner of Flat 2 at the Property. By an order made on 26 March 2009 Mr. Brand was joined as a respondent.
4. The Tribunal sat to consider the application on 12 October 2009. During the course of that hearing, it became apparent that the accounts and documentation submitted by Knightstone were insufficient. The hearing was adjourned and directions were given for Knightstone to file further accounts and supporting documents.
5. On 14 October 2009, Miss Arcus made an application to the Tribunal for an order to be made pursuant to Section 20C of the Landlord and Tenant Act

1985 (as amended) ("the Act"). In anticipation of that application, the Tribunal made an order on 12 October 2009 for that application to be determined at the same time as the application by Knightstone.

The Law

6. The statutory provisions primarily relevant to matters of this nature are to be found in Sections 18, 19 and 27A of the Act.
7. Section 18 provides:-
 - 1) *In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to rent-*
 - a. *which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and*
 - b. *the whole or part of which varies or may vary according to the relevant costs.*
 - 2) *The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.*
 - 3) *For this purpose-*
 - a. *"costs" includes overheads, and*
 - b. *costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.*
8. Section 19 provides:-
 - 1) *Relevant costs shall be taken into account in determining the amount of a service charge payable for a period-*
 - a. *only to the extent that they are reasonably incurred, and*
 - b. *where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard;**and the amount payable shall be limited accordingly.*
 - 2) *Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.*
9. Section 27A provides:-
 - 1) *An application may be made to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to-*
 - a. *the person by whom it is payable,*
 - b. *the person to whom it is payable,*
 - c. *the amount which is payable,*

d. the date at or by which it is payable, and

e. the manner in which it is payable.

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

Subsections 3 to 7 of Section 27A are not relevant in this application.

10. Section 20C of the Act provides:-

1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a ... leasehold valuation 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 or any other person or persons specified in the application.

2) ...

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

The Leases

11. Miss Arcus holds Flat 1 by virtue of a lease dated 30 April 1993 made between Knightstone as lessor and Mr. and Mrs. Denning as lessees. The Lease demised Flat 1 to the lessee for a term of 126 years from 1 January 1992 at a yearly rent of £10.

12. Mr. Brand holds Flat 2 by virtue of a lease dated 15 April 1996 made between Knightstone as lessor and Robert Warke as lessee. The lease demised Flat 2 to the lessee for a term of a term of 126 years from 1 January 1992 at a yearly rent of £10. The relevant parts of both leases are in the same terms.

13. The service charge provisions are set out at clause 3 of the Leases in the following terms:

The lessee hereby covenants with the lessor that the lessee will pay to the lessor on the first day of January in each year (such payment to be made in advance by twelve equal interim instalments on the first day of each month by bankers standing order or direct debit mandate the first such payments being made on the date hereof and being in respect of a proportionate part of the expenses hereinafter referred to for the period ending on the 1st January next) one quarter of the costs expenses and payments notified to the lessee as being the amount

(i) incurred or charged by the lessor during the previous year (including a period prior to the grant of this lease);

(ii) incurred or charged by the lessor during the previous year and any year prior to that previous year the contribution to which by the lessees or tenants of the lessor has been extended by the lessor over a period in

*excess of one year (including a period prior to the grant of this lease);
(iii) expected to be incurred or charged by the lessor during that year:
of and incidental to:*

*(a) the maintenance repair renewal improvement upkeep decoration
cleansing and lighting of the Main Structures and Communal Areas*

*(b) the maintenance repair renewal improvement upkeep and cleansing
of all drains pipes wires cables and conduits for the drainage from and
the supplies of water gas and electricity to the building and communal
areas provided that such drains pipes wires cables and conduits serve
more than one of the flats comprised in the building*

*(c) the insurance premiums payable by the lessor pursuant to covenant
number 3 in the fifth schedule hereto*

*(d) all other sums properly expended by the lessor of and in connection
with the Main Structures and the Communal Areas*

*(e) creating such reasonable reserves against future liabilities as to the
lessor may seem prudent and desirable*

*(f) a fair proportion (to be determined by the lessor) of the administrative
costs of the lessor.*

14. The Leases define the Main Structures as those parts of the building known as 38 Rivers Street, Bath which are not demised as flats, including the foundations, roofs and load bearing walls. The Communal Areas are defined as those parts of the building the use of which is shared by the occupiers of the flats and includes the entrance hall and access paths.

15. Knightstone covenants to perform the obligations set out in the 5th schedule which includes the following:

- a. a covenant to keep the building insured for its full reinstatement value;
- b. a covenant to keep the main structure and communal areas in good and substantial repair and condition including the renewal and replacement of all worn or damaged parts
- c. a covenant to decorate the exterior of the building and the internal communal areas as often as shall be necessary.

The inspection

16. The Tribunal carried out an inspection of the Property on 12 October 2009 in the presence of Miss Arcus, Miss Eleanor Lowman who is employed by Knightstone as Leasehold Services Officer, Mrs. Moira Harries who is employed by Knightstone as Homeownership Officer, and Mr. Williams, a solicitor from Coffin Mew LLP who acts as solicitor for Knightstone. Mr. Brand was not present at the inspection.

17. The Property is a mid-terraced Georgian property consisting of 5 floors. It has been converted into 4 flats.
18. The front elevation of the Property is dressed stone. There are 2 doors. The front door is painted and is accessed by steps up from street level. There is a second door at basement level which is accessed by steps down from street level into a small courtyard. The courtyard is surrounded by painted iron railings. There are 6 windows which are single glazed vertical sliding sashes and a dormer window in the roof. The stonework appeared to be in good condition. The doors and windows appeared to have been repainted recently and it was noted that the windows at ground floor and basement levels had been painted over so that they could not be opened. There were also paint splashes on the basement window glass. The wall retaining the street at basement level is painted render and there were signs of mould on the paint.
19. The front door leads into a hallway. Flat 1 is accessed through a door from the hall. Flat 1 includes the hall and basement levels. Stairs lead from the hall to the upper floors. The floor of the hall is carpeted. It was noted that there was a stain on the carpet and that a bicycle was in the hall. The walls were papered with wood chip and painted. The decorations appeared to be of a good standard but a scuff mark was noted on the wall. Inside the front door there is a meter cupboard and a cupboard for each flat.
20. On the stairs, Miss Arcus pointed out where carpeting to a tread had been missing and had been glued on later. The bottom of the window at the half landing level appeared to be broken. There were scuff marks on the walls at half landing level and the half landing above. The carpet was not fixed at 1st landing level.
21. Lighting was by means of 2 bulbs at ground floor level and one bulb at each of 1st, 2nd and 3rd floor levels. There was emergency lighting on each floor. There was a fire alarm panel at ground floor level with a detector on the ground and 3rd floor levels. There was a fire extinguisher at each level.
22. At the rear of the Property is a small courtyard which is included in the demise of Flat 1. Access to the courtyard is through a door from Flat 1 at basement level. There is no other access to the rear of the Property so any access for exterior maintenance or decoration would have to be through Flat 1. The rear elevation appeared to be in reasonable condition. Miss Arcus said that the 6 windows and one door at the rear of the Property had not been painted in 2008. She pointed out to the Tribunal staining on the pebbles on the ground and splash marks on the walls and window sills of Flats 1 and 2 which she said were caused by substances being thrown out of the windows of Flats 3 and 4.

The hearing and the issues

23. The hearing commenced on 12 October 2009. Knightstone was represented by Mr. Cannon of counsel. Miss Arcus appeared in person. Mr. Brand did not appear.
24. It rapidly became apparent that whereas the leases provide for the service charge to be calculated on an annual basis commencing on 1 January in each year, Knightstone had been demanding service charges in advance on the basis of a year ending on 30 September and were trying to reconcile actual expenditure on the basis of a year ending on 31 March. Miss Arcus did not challenge the date of the year end but said that she was unable to reconcile the amounts which were being claimed from her against actual expenditure. The hearing was adjourned to enable Knightstone to produce year end accounts showing actual expenditure in each year based on a year ending on 30 September.
25. The hearing resumed on 7 December 2009. Knightstone was represented by Mr. Cannon and Miss Arcus appeared in person. Mr. Brand had notified the Tribunal that he would not be attending the hearing. The hearing was adjourned part heard to be completed on 19 January 2010 when the same parties appeared.
26. Before the resumption of the hearing on 7 December, Knightstone produced a schedule of service charges for both Flats 1 and 2 showing the amounts demanded and the amounts actually expended for the years ended 31 March 2006, 2007, 2008 and 2009. Knightstone and Miss Arcus agreed that the Tribunal should consider the service charges on the basis of those year ends, notwithstanding the dates set out in the application. It was also agreed that the Tribunal would not look at amounts due or paid prior to 31 March 2005.
27. Miss Arcus had filed a statement prior to the first hearing in which she had raised a number of issues relating to the service charge, including the fact that she was unable to reconcile the amounts which were being claimed from her against actual expenditure. Her position did not change as a result of the production of further statements so it was necessary for the Tribunal to hear evidence and to consider each item of expenditure claimed by Knightstone. Miss Arcus had also raised in her statement a number of issues which arose out of the occupation of flats 3 and 4 by tenants of Knightstone. The Tribunal informed Miss Arcus that it had no jurisdiction to resolve those issues within this application.
28. In the absence of Mr. Brand, it was agreed that the Tribunal's findings in relation to the service charge payable by Miss Arcus would apply equally to

Mr. Brand subject to the fact that he had only become the leaseholder on 20 July 2007.

The Evidence

29. By the time of the resumed hearing, Knightstone had filed 3 written statements by Miss Lowman. She gave further oral evidence at the hearing. Mrs. Harries and Mr. N Cook, who is employed by Knightstone as Rent Services Officer, also gave oral evidence. Miss Arcus had filed 2 written statements. She gave further oral evidence at the hearing.
30. It was agreed that the Tribunal would deal with each item of service charge in turn, hearing the evidence of Knightstone and Miss Arcus in turn and that format is followed here.
31. **Communal Cleaning:** For the year ended 31 March 2006, Knightstone employed contract cleaners. Miss Lowman produced copies of invoices covering the majority of the year. The cleaners were employed to clean at a number of different properties including the Property. The total weekly charge appears to have been £375 per week plus VAT. Up to the week ended 18 November 2005, £17.63 of that cost was allocated to the Property. From the week ended 25 November 2005, £12.41 of the total cost was allocated to the Property. Miss Lowman was not able to explain why there was a change in the allocation except that she thought that the cleaners may have charged a lower rate per hour. She was neither able to produce a copy of the cleaning contract nor give details of the work required to be done under the contract. She thought that the charge was calculated on the basis of 1 hour's work per week. Knightstone was claiming a total of £949.46 for cleaning the Property to include some charges carried forward from the previous year, accruals carried forward to the next year and an invoice for caretaker's charges which Miss Lowman was unable to explain.
32. The same system applied for the period from 1 April 2006 to 31 December 2006 with £12.41 of the contractor's total charge being allocated to the Property for cleaning each week. The total claimed by Knightstone for that period was £496.34.
33. From 1 January 2007, Knightstone employed its own cleaning staff to clean the Property and 22 other properties in Bath. The duties carried out by the cleaners are set out in the second statement of Miss Lowman. The cost which it passed on under the service charge for the period from 1 January to 31 March 2007 was made up as follows:
 - a. A proportion of the cost of the directly employed cleaner. One cleaner was employed 17.5 hours per week to clean 11 properties. It was

estimated that he would be employed on cleaning the Property for one hour per week so 5.71% of his cost was charged. That cost was £29.31 for the period.

- b. A proportion of the cost of purchasing the cleaning materials for all 23 properties, irrespective of whether or not the materials were required at the Property. The total cost was divided by 23. Knightstone produced invoices for cleaning materials amounting to £2,253.20 resulting in a charge to the Property of £97.97.
- c. A proportion of the cost of the employee who supervised the cleaning operation amongst other duties. 40% of his cost was allocated to the cleaning operation with that cost being divided between the 23 properties in the proportion of the time spent cleaning each property. That resulted in 1.82% of his cost being allocated to the Property which was £34.19 for the period.
- d. 40% of the cost of leasing and running a van for the supervisor. Knightstone produced copies of the leasing documents. The cost was split equally between the 23 properties. The charge for the Property in the period was £31.14.

34. The total claimed by Knightstone for communal cleaning for the Property during the period 1 January to 31 March 2007 was £192.61, which, added to the claim for cleaning contractors, makes a total of £688.95 for the year.

35. The claim for cleaning in the year ended 31 March 2008 was based on the same system of calculation except that the cost of cleaning materials was apportioned on the basis of the number of flats in each property. There are 199 flats in the 23 properties resulting in a charge of 4/199ths to the Property or 2.01%. The amounts claimed by Knightstone for that year were:

- a. Wages cost - £304.49
- b. Cleaning materials – 2.01% of £1,288.47 = £25.90.
- c. Supervisor costs (proportion increased to 1.90%) - £95.24.
- d. Supervisor's van - £74.61.

The total claimed for the year was £500.24.

36. There was a further relevant item which needs to be considered in the years ended 31 March 2008 and 2009. Knightstone had incurred set up costs for the cleaning operation including the cost of storage facilities and cleaning equipment. That cost was split equally between 23 properties and Knightstone seeks to recover the cost over 15 years under the heading of

fixed assets. The amount claimed in respect of the Property is £13.56 per year from the year ending 31 March 2008.

37. The same system of charging applied for the year ended 31 March 2009 with the amounts being claimed by Knightstone being:

- a. Wages cost - £300.62.
- b. Cleaning materials – 2.01% of £2,752.85 equals £55.33.
- c. Supervisor costs - £107.62.
- d. Supervisor's van - £80.34.
- e. There was an additional charge being a proportion of the cost of a telephone in the supervisor's office, the total cost being divided equally between the 23 properties resulting in a charge of £10.11.
- f. There was an additional charge for maintenance of cleaning equipment. Knightstone produced invoices for repairs totalling £134.79. The cost was divided equally between the 23 properties resulting in a charge of £5.86 to the Property.
- g. There was a further additional charge of £13.46 being a 1/23rd share of the cost of buying a folding box truck for the cleaners.

The total claimed for the year was £573.34.

38. Miss Arcus said that when the contract cleaners were used, their attendance at the Property was erratic. When they did attend, they just vacuumed the carpet taking a maximum of 30 minutes. They did not clean the banisters, the door knob or spots on the walls. She considered that a reasonable charge for the work done was £7.50 plus VAT.

39. She did not consider that the service had improved with Knightstone's directly employed cleaners. She says that the cleaner attends for no more than 15 minutes, vacuums the front corridor and sprays air freshener around. She had asked a friend to be in her flat every Tuesday morning in 2009 and she had reported seeing a man arrive in a van marked "Graham Contractors" and spending 10 minutes vacuuming the carpet.

40. She said that with normal use of the flats in the Property, the communal areas should need cleaning on a monthly basis and that a proper clean would take no more than 1 hour at a cost of £10. She felt that the occupiers of flats 3 and 4 increased the need for cleaning. She objected to the cost of cleaning materials being divided between all properties pointing out that there was no requirement for toilet rolls, weed killer or a key cupboard at the Property.

41. **Window cleaning:** Miss Lowman said that Knightstone arranges for the cleaning of the outside of the windows on the front elevation of the Property twice per year at a cost of £35.25 per clean, decreasing to £34.50 in 2009. She produced invoices for window cleaning on 2 occasions in 2005, 2006 and 2007 and once in 2008 and 2009. She said that an invoice was missing for September 2008 but the windows had been cleaned. The amounts claimed by Knightstone were:
- 2005/06 - £105.75
 - 2006/07 - £35.25
 - 2007/08 - £70.50
 - 2008/09 - £105.00.
- The charge for 2005/06 included the cost of cleaning in March 2005 and March 2006. The charge for 2008/09 included 2 cleans in 2008 and March 2009.
42. Miss Arcus said that no-one had ever seen a window cleaner at the Property. She accepted that £35.25 for each clean was reasonable.
43. **Electricity:** Miss Lowman said that the charge for electricity was for the supply to the communal areas. She said that it is separately metered. She said that Knightstone uses a consultant to advise on the best rates. As Knightstone is a business, it has to pay a business tariff rather than a residential tariff. She set out the tariff applied for the relevant periods in her second statement. She produced invoices for the relevant periods showing the following charges which were claimed by Knightstone for the Property:
- 2005/06 - £65.01
 - 2006/07 - £54.23
 - 2007/08 - £76.48
 - 2008/09 - £45.93.
44. Miss Arcus did not challenge the amount of electricity used but said that the charges were too high because Knightstone had changed the supply from a domestic to business tariff. She said that in 2004 the charge had been £15.08 and that the charge for equivalent properties in Bath was about £20 per year. She pointed out that the standing charge formed the greater part of the invoices.
45. **Carpet repairs:** This was an item charged in the year ended 31 March 2009. Miss Lowman produced a copy of the works order which states that it was for re-fixing the carpet on the 1st floor landing and a carpenter was employed for 2 ½ hours at a cost of £76.07. No invoice was produced. Miss Lowman had no further details.
46. Miss Arcus did not know what was wrong with the carpet, said that it did not take a carpenter 2 ½ hours to re-glue a carpet and disputed the cost.

47. **Replacement light bulbs:** This was an item charged in the year ended 31 March 2008 for replacing a light bulb on the top floor landing at a cost of £14.38. Miss Lowman produced a copy of the works order and the contractor's itemised invoice.
48. Miss Arcus considered the charge to be excessive and stated that the tenant of the top floor flat could have changed the bulbs. She said that she normally changes the bulbs in the entrance hall when needed.
49. **Servicing and repair of fire extinguishers, fire alarm and emergency lighting:** Miss Lowman said in her statement that Knightstone had a contract with Haven Fire Security Consultants Ltd for servicing such items at all its properties. She said that the contract had been competitively tendered. The contract had expired on 31 August 2009 and had been re-tendered with appropriate consultation with leaseholders. She produced a bundle of invoices and internal documents in support of the claims by Knightstone's claims which were for:
- a. **Servicing fire extinguishers:** Miss Lowman said that there were 4 extinguishers at the Property which were serviced once a year together with the extinguishers at 22 and 40 Rivers Street. The total cost was divided equally between the 3 properties as follows:
2005/06 - $£40.35 \div 3 = £13.45$.
2006/07 - $£40.35 \div 3 = £13.45$.
2007/08 - $£41.56 \div 3 = £13.84$.
2008/09 - $£50.00 \div 3 = £16.66$.
 - b. **Servicing fire alarm:** Miss Lowman said that there was an alarm panel on the ground floor with sensors in the ceilings which were serviced 4 times each year together with the alarms at 22 and 40 Rivers Street. The cost allocated to the Property for servicing the alarm was £19.58 per visit. On some occasions the servicing was combined with servicing the emergency lighting and the invoices reflect the cost of both services together. The following costs were allocated to the Property:
2005/06 – 2 visits at £19.58 and one at £7.11. Miss Lowman could not explain the figure of £7.11. Total claimed £46.27.
2006/07 – 4 visits at £19.58 plus an invoice for new batteries which did not identify the property at which the batteries were supplied, and further claims for unidentified sums totalling £20.95. Total claimed £112.28.
2007/08 – 2 visits at £19.58 and 2 visits at the increased price of £20.18. Total claimed £79.52. Miss Lowman acknowledged that other sums claimed could not be justified.

2008/09 – Miss Lowman could only produce 1 invoice and could not explain other figures on the ledger showing the total claimed to be £86.26. She said that the alarm had been serviced on 4 occasions at a cost of £20.17 on each occasion.

- c. **Servicing emergency lighting:** Miss Lowman said that the lighting was serviced twice each year together with the emergency lighting at 22 and 40 Rivers Street. The cost apportioned to the Property was £3.92 for each visit. The amounts claimed were:
2005/06 – 2 visits at £3.92 = £7.84. There was an invoice for only one visit.
2006/07 – 2 visits at £3.92. The total claimed was £21.18 but Miss Lowman could not explain the additional sum of £13.34.
2007/08 – 2 visits at the increased prices of £7.83 and £8.07 respectively. Knightstone also claimed an accrual making a total claim of £18.19.
2008/09 – 2 visits at the cost of £8.07 and £8.31 respectively plus an accrual making a total claim of £16.46.
- d. **Repairs to fire alarm:** Miss Lowman produced a bundle of invoices for call outs to reset the alarm or carry out repairs. She said that it was not possible to identify what had caused the alarm to activate. The totals claimed were:
2006/07 - £309.62.
2007/08 - £236.77 but Miss Lowman accepted that an invoice for £45.83 was not properly charged under this heading.
2008/09 - £100.11.

50. Miss Arcus thought that the charges for routine servicing were excessive. She said that she had obtained a quotation for servicing all 3 items for £48 each year including free call outs. She did not produce the quotation. She objected to paying for repairs to the alarm when it was Knightstone's tenants who caused the alarm to activate. She accepted that she had not been present on any occasion when the alarm had activated and she had assumed that a tenant had caused it to activate.

51. **Time clock adjustment:** Miss Lowman explained that this item was the charge for adjusting the clock in the door entry system to and from BST twice a year. She produced invoices to prove the amounts claimed. As Miss Arcus's flat had not been connected to the system, it had been agreed not to charge her for this item for the years 2005-08. She referred to a letter sent to Miss Arcus on 14 January 2008 inviting her to contact Knightstone with a view to making an appointment for the system to be connected. The amounts

claimed were:

2005/06 - £55.52.

2006/07 - £37.62.

2007/08 - £35.53.

2008/09 - £43.14.

52. Miss Arcus denied receiving the letter dated 14 January or any other contact from Knightstone. She questioned whether it was still necessary to have the clock adjusted as it was only to enable tradesmen to enter at specific times.

53. **Administration charges:** Miss Lowman relied on clause 3(iii)(f) to support Knightstone's claim for administration charges. She said that Knightstone charged a flat fee of £146 per flat (rising to £152 in 2008/09) to cover general administration costs and to provide a degree of certainty. In addition Knightstone charge a fee of 15% on the cost of communal services, repairs and major cyclical works. Mr. Cannon said that it is within the gift of the freeholder to decide how to charge within the bounds of reasonableness. He said that the amount charged did not actually cover Knightstone's administration costs in real terms. He relied on a decision of another tribunal to support the charge of 15%.

54. Miss Arcus accepted that the flat fee of £146 was reasonable but considered the additional 15% to be unfair, particularly when it was applied to recurring invoices such as electricity.

55. **Insurance:** The amount charged by Knightstone to Miss Arcus for insurance are set out in the schedules.

56. Miss Arcus was concerned as to the amount for which the Property was insured. Once it was explained to her that she could obtain details of the insurance cover and that it was for her to seek her own advice as to whether the cover was sufficient, she accepted that the premiums had been paid and she did not challenge the amounts.

57. **The sinking fund:** Miss Lowman said that Knightstone had been charging a flat rate of £324 per year for each flat towards a sinking fund. In 2005 Knightstone took a decision to move to a 20 year rolling programme for cyclical and major planned works. In 2008 Knightstone instructed Ridge Property and Construction Consultants to prepare a report for determining the extent of the leaseholders' contributions to the fund over the next 30 years. Ridge reported in May 2008. A copy of the report was supplied to the leaseholders in June 2008. Attached to the report is a schedule setting out the estimated costs of maintenance and decoration works over a 30 year period. The costs were based on existing prices and made no allowance for inflation. Based on that report, Knightstone prepared schedules calculating the

contribution required from each leaseholder based on a 20 year programme of works. Those schedules took into account contributions which had been made to the existing sinking fund. They calculated that Miss Arcus should contribute £947.63 each year to include VAT and Knightstone's management charge. The amount required from Mr Brand was £943.45 due to a difference in contributions to the existing sinking fund.

58. Miss Arcus accepted that there was a need for a sinking fund but she considered that the figure of £947 was too much.

59. **Internal and External painting 2008.** Although no specific charge was raised for this item in Knightstone's schedules, Miss Arcus complained about the cost and standard of work in her statement of case. Miss Lowman said that cyclical painting works had been planned for 2007. Knightstone had obtained quotations from 5 contractors and had served the appropriate consultation notices. The works had been postponed until spring 2008 because Miss Arcus notified Knightstone that renovation works were being carried out to neighbouring buildings. The work included painting the exterior of the Property at the front and rear and decorating the internal communal parts. Knightstone asked Miss Arcus for access to the rear of the Property but Miss Arcus did not respond. As a result the contractor could not paint the rear of the Property. The final cost was adjusted to take account of that. The total cost was £6,147.60 including VAT. That cost has been paid out of the sinking fund together with Knightstone's 15% management charge.

60. Miss Arcus said that she did respond. She wanted to know when the work was going to start so that she could be at her flat to observe the work. She did not think that the work should have been done in the spring of 2008 because work was still going on in Flat 2 and the adjoining properties. She does not consider that the work was done to a reasonable standard. She says that the exterior wall in the basement was not prepared properly. She was not present to observe the preparation but assumed that fact as a result of mould coming through the paint within about 3 weeks. She complains that there are paint splashes on the windows of both Flats 1 and 2 and that they have been sealed shut by paint. She also complains about the quality of the interior decoration to the communal areas. She says that she told Knightstone that she did not want woodchip to be used on the internal walls because it was not appropriate to a Georgian building. She said that insufficient paste was used to fix the wallpaper. She says that the paint on the ceiling of the hall is cracking and she thinks that only one coat of paint was applied. She says that the overall cost of the work was expensive and that she had obtained an estimate which was £1,000 cheaper.

61. **Fixed assets.** Miss Lowman deals with these matters in her witness statements. The charge reflects the cost of items purchased for the Property, the cost of which is recovered by Knightstone over a period of years. The 4 items are a fire/smoke alarm, a door entry system, a carpet and cleaning storage and equipment.
62. A new fire/smoke alarm system was purchased in 1996 at capital cost of £3,169.07. A further £148.33 was spent in 2000. That cost is being recovered over 15 years at an annual rate of £191.82 between the 4 flats. Knightstone was unable to provide copy invoices due to the length of time since the system was installed.
63. Knightstone purchased new door entry system in 2002. It was supplied and installed by Blick UK to replace the previous system which had been rented from the company. The purchase cost was £1,492 which was being recovered over 20 years at a cost of £74.60 per year. 3 quotations had been obtained. Miss Lowman produced copies of the consultation notices which had been issued. Knightstone required access to each flat in order to connect the flats to the system. Miss Arcus was not available when the contractor tried to access her flat and Flat 1 had not been connected. Knightstone had written to Miss Arcus on 14 January 2008 inviting her to arrange a date for the system to be connected. Knightstone had agreed not to charge Miss Arcus up to 31 March 2008 but considered that she had had sufficient opportunity to arrange for connection and should pay thereafter.
64. Knightstone had replaced the carpet in the hallway and stairs in 2001 because it was in poor condition. The cost was £921. Knightstone was seeking to recover that cost over 12 years resulting in a charge of £76.80. Following complaints by Miss Arcus that the carpet had been replaced prematurely due to soiling by a tenant's dog, Knightstone agreed that the replacement had been brought forward by one year and reimbursed her for one year's charge (£19.20). Following further correspondence with Miss Arcus, Knightstone agreed to write off the balance of the cost of the carpet (£460.80) after it had collected £460.20. The net cost of the carpet to Miss Arcus was $£460.20 \div 4 - £19.20$ making a total of £95.85.
65. As noted at paragraph 36 above, Knightstone is seeking to recover the cost of cleaning storage and equipment at the rate of £13.56 per year from 2007/08, the total cost being recovered over 15 years.
66. Miss Arcus did not challenge the cost of the fire alarm.
67. Miss Arcus said that the cost of the door entry system was excessive. She had obtained prices for new systems over the internet. She had also telephoned Blick UK who had said that the cost of the finger plate and the

phone was £180 plus £300 installation. She obtained the quotes in 2009. She says that it was merely the finger plate on the system which was replaced and that the existing wiring to the flats was re-used.

68. Miss Arcus said that the carpet had to be replaced because it had been soiled by dogs kept by one of the tenants of Flats 3 and 4. She said that the cost of the carpet was excessive and that Allied Carpets had quoted £444.40 for a similar carpet. The carpet was not fitted correctly as no carpet was fitted to one stair and she had to telephone Knightstone repeatedly until the work was completed.

69. Miss Arcus was concerned that she was being asked to contribute towards the cost of storage and equipment for cleaning. She was worried that if Knightstone take on extra properties, there might be other costs.

70. **Day to day repairs.** Knightstone had originally sought to charge a number of items under this heading but, following investigations, it had agreed to cancel certain charges. Miss Lowman said that Miss Arcus was due a credit of £234.26 brought forward from 2004/05. There were no items claimed in 2005/06 or 2008/09. In 2006/07 Knightstone had spent £226.72 on repairs to the door closer. Miss Lowman produced copies of the relevant invoices. A 15% management charge was added and the ¼ charge to Miss Arcus was £65.18. In 2007/08 Knightstone sought to charge for repairs to the timber sliding sash window on the half landing (£149.21), decorating a damaged ceiling (£175.49), repairing the ceiling rose in the front entrance (£35.94) and replacement light bulbs (£28.76). Miss Lowman was unable to produce invoices for the light bulbs. She did not know why the ceiling needed to be re-decorated. There was a suggestion that it was due to a leak from Flat 4.

71. Miss Arcus challenged the re-decoration of the ceiling on the basis that it was due to a leak from Flat 4. She did not challenge the other items.

72. **Section 20 C.** Miss Arcus said that if the lessees have to pay a service charge then it must be fair and reasonable. She says that the dispute over the service charge could have been resolved before the application was made if Knightstone had prepared proper accounts which showed how the sum claimed was calculated and if the charges had been reasonable.

73. Mr Cannon relied on paragraphs 16 and 17 of the 4th schedule of the leases to give Knightstone the right to recover its costs through the service charge. He submitted that the Tribunal has a wide discretion in its decision and that success or failure is not the sole factor. He said that coming to the Tribunal was Knightstone's only remedy in the light of Miss Arcus' failure to pay the service charge. He accepted that the length of the hearing had been prolonged by Knightstone's opaque accounting system but that Knightstone

was not fully responsible for the length of the hearing. He said that Miss Arcus had contributed to the length of the hearing by the way in which she had dealt with the application and her failure to reply to the amended statements of account point by point. He invited the tribunal to disallow only part of the costs if at all.

Conclusions:

74. The Tribunal will deal with each heading in turn. Attached to these reasons are copies of the schedules produced by Knightstone relating to Flats 1 and 2, to which additional columns have been added to show the amounts allowed by the Tribunal. Unless specifically stated, the conclusions apply equally to Miss Arcus and Mr. Brand.
75. **Communal cleaning:** The Tribunal considers that it is reasonable for Knightstone to carry out cleaning on a weekly basis. It may be that the tenants in Flats 3 and 4 increase the need for cleaning but the same could apply if they were leaseholders or sub-tenants of leaseholders. That is an issue which arises with communal properties. It is difficult to pass the cost onto an individual flat unless individual responsibility can be positively established. Knightstone is under an obligation to keep the communal parts clean. Cleaning on a weekly basis is reasonable. The Tribunal accepts that one hour is a reasonable time for one cleaner to carry out the work. Miss Arcus did not seriously challenge that time estimate. The Tribunal does not accept Miss Lowman's evidence as to why the charge for the contract cleaners was reduced from £17.63 to £12.41 per week. It notes that the overall charge raised by the contractor remained the same and that it was purely the internal allocation of that cost which changed. The Tribunal considers that £12.41 was a reasonable charge and will allow that weekly charge for the period from 1 April 2005 to 31 December 2006. The Tribunal does not accept Miss Arcus's unsupported evidence that a cleaner would charge only £10 for 1 hour's work, supplying his own tools and materials.
76. The Tribunal notes the method that Knightstone has chosen to use for allocating the cost of cleaning services by its own employees. It is open to challenge as to whether it has allocated the costs in a fair manner and whether it is fair to charge a proportion of all materials even if some of those will not be used at the Property. However, what concerns the Tribunal is whether the overall cost charged to the Respondents is fair and reasonable. When the total amounts claimed plus the cost of storage and equipment charged through fixed assets are converted to weekly figures and compared with the sums paid to the contractor, the weekly figures are; 2006/07 - £13.25 (i.e. more than the previous figure of £12.41), 2007/08 - £9.88, 2008/09 -

£11.29. In so far as they resulted in a reduction on the figure of £12.41, the Tribunal considers them to be reasonable.

77. Miss Arcus has made vague allegations about the standard of cleaning carried out over the years. The Tribunal found that evidence to be too vague to rely on. The Tribunal's own inspection showed that cleaning is carried out to a satisfactory standard. In her second statement, Miss Lowman acknowledged that for a period from January 2007, Knightstone did not provide relief cleaners and no cleaning was carried out during 8 weeks. She allowed a credit of £12.44 for that time. The Tribunal does not accept that that is a reasonable credit. There should be no charge for those weeks. The Tribunal has deducted them from the weeks allowed for 2006/07. Miss Arcus complained that extra cleaning is required as a result of the intensity of user of Flats 3 and 4. The Tribunal is prepared to accept that that may be the case but Miss Arcus has not shown that the user of Flats 3 and 4 is in breach of the terms of her lease.
78. The Tribunal determines that the following amounts should be allowed for cleaning:
- 2005/06 – 52 weeks at £12.41 per week = £645.32.
 - 2006/07 – 44 weeks at £12.41 per week = £546.04.
 - 2007/08 - £500.24 as claimed.
 - 2008/09 - £573.34 as claimed.
- 79. Window cleaning:** The Tribunal accepts the amounts claimed by Knightstone as reasonable. The difference in the amounts claimed each year is purely a function of the way in which the costs have been accounted for. The Tribunal allows the amounts claimed.
- 80. Electricity:** The Tribunal accepts that Knightstone is a business and that, as such, a business tariff is appropriate. In the absence of any firm evidence from Miss Arcus that the quantity of electricity charged for was excessive or that a cheaper tariff was available to Knightstone, the Tribunal allows the amounts claimed.
- 81. Carpet repairs:** In the absence of clear evidence from Knightstone as to what repair was required and why it took 2 ½ hours to repair, the Tribunal is not satisfied that this is a reasonable charge and it is disallowed.
- 82. Replacement light bulbs:** The Tribunal accepts that if the residents do not change the light bulbs themselves then it is necessary for Knightstone to employ a contractor to do so. The Tribunal accepts the charge as reasonable.

83. **Fire extinguishers:** The Tribunal finds the sums claimed for annual servicing of the fire extinguishers to be reasonable and allows the sums claimed. The Tribunal does not accept the unsupported evidence of Miss Arcus that it would be possible to service all the safety items at an annual cost of £48 to include call out charges.
84. **Fire alarm:** The Tribunal accepts that the charges for quarterly servicing are reasonable. Only 2 services were claimed in 2005. The Tribunal disallows any additional unexplained charges. It allows the following sums:
2005/06 – 2 services at £19.58 = £39.16
2006/07 – 4 services at £19.58 = £78.32
2007/08 – 2 services at £19.58 and 2 at £20.18 = £79.52
2008/09 – 4 services at £20.17 = £80.68.
85. **Emergency lights:** The Tribunal accepts that the charges for twice yearly servicing are reasonable but disallows any additional unexplained charges. It allows the following sums:
2005/06 – 2 at £3.92 = £7.84
2006/07 – 2 at £3.92 = £7.84
2007/08 – 1 at £7.83 and 1 at £8.07 = £15.90
2008/09 – 1 at £8.07 and 1 at £8.31 = £16.38.
86. **Repairs to fire alarm:** The Tribunal does not accept Miss Arcus's evidence that the call outs to reset or repair the alarm were caused by the tenant's of Flats 3 and 4. Miss Arcus admitted that she was not at the Property at the time so she was not in a position to give first hand evidence on that issue. In the absence of clear evidence as to the cause of the alarm activation, Knightstone was obliged to arrange for the alarm to be reset or repaired and the cost of doing so is a proper charge on the service charge account. The Tribunal allows the amounts claimed except for the unexplained item of £45.83 in 2007/08.
87. **Time clock adjustment:** Until such time as it is agreed that there is no need to adjust the time clock, the Tribunal accept that this is a proper charge to the service charge account. There was no evidence to suggest that the amounts claimed were unreasonable. The Tribunal accepts that the sums claimed are reasonable and are properly payable by Mr. Brand. Knightstone has agreed to waive the charges in respect of Miss Arcus for 2005/06, 2006/07 and 2007/08. The charge is payable by her for 2008/09. Clearly there has been a breakdown of communication between her and Knightstone with regard to the door entry system but the evidence shows that Knightstone has offered to connect her flat to the system and there is no evidence to show that she has attempted to contact Knightstone to arrange for that to be done.

88. Administration charges: Clause 3(iii)(f) of the lease permits Knightstone to charge to the service charge account *“a fair proportion (to be determined by the lessor) of the administrative costs of the lessor.”* Knightstone has chosen to charge a flat rate annual charge and a percentage charge on all recurring items including capital expenditure and day to day repairs. An analysis of Knightstone’s figures shows that it has claimed the following amounts for administration:

Year	Flat rate	¼ of 15% communal items	15% of day to day repairs	Total
2005	146.00	46.63	7.60	200.23
2006	146.00	47.72	8.50	202.22
2007	146.00	39.23	17.32	202.55
2008	152.00	39.86	7.40	199.26

The Tribunal accepts the submissions made by Mr. Cannon on behalf of Knightstone that the lease allows Knightstone to charge a proportion of its administration charges and that it is for Knightstone to decide how that charge should be calculated. The Tribunal accepts that Knightstone may choose to charge a flat rate and a percentage of certain items. However, Mr. Cannon accepted that the overall charge has to be within the bounds of reasonableness. Properties of this nature with a small number of flats of mixed tenure can involve disproportionate amounts of management. The Tribunal needs to look at the total amount charged as an administration charge and consider whether that is reasonable. Looking at that total as a percentage of the total service charge is not necessarily a good guide. Miss Arcus produced no evidence as to what other managing agents might charge to manage the Property. Using its own knowledge, the Tribunal concludes that a figure in the region of £200 per flat per year is reasonable. The Tribunal allows the administration fees claimed at the flat rate and 15% of the other items. The actual amounts allowed will be re-calculated in the schedules.

89. Insurance: Miss Arcus did not challenge the amounts claimed for insurance. The Tribunal considers them to be reasonable and allows the amounts claimed.

90. The sinking fund. Clause 3(iii)(e) of the lease permits Knightstone to charge to the service charge account such sums *“creating such reasonable reserves against future liabilities as to the lessor may seem prudent and desirable.”* Miss Arcus did not challenge the principle of the sinking fund. She criticised

the cost involved. The Tribunal is satisfied that the leases permit Knightstone to operate a sinking fund, that Knightstone went through a proper process to establish an appropriate contribution to the sinking fund and that it has arrived at a figure which is justifiable. The Tribunal considers that, if anything, the figures used by Ridge in its report are on the low side. The amounts claimed include an allowance for VAT and for Knightstone's management charge. The Tribunal is satisfied that the amounts claimed are reasonable. Miss Arcus should understand that any moneys collected into the sinking fund should be held by Knightstone on trust for the leaseholders until expenditure is incurred. Further, Knightstone should provide a statement each year showing the balance held in the sinking fund to the credit of the leaseholders.

91. **External and internal painting 2008.** The Tribunal is satisfied that Knightstone obtained competitive quotations for the work and accepted the lowest quotation. It issued the appropriate consultation notices to the leaseholders and received no response. The Tribunal is satisfied that the cost incurred was reasonable, allowance having been made for the external painting at the rear of the Property which was not carried out due to Miss Arcus not providing access. The Tribunal noted on its inspection that there was paint on the window glass and that windows had been painted shut. It also noted mould on the basement wall. The Tribunal considers that they are all items which should have been dealt with under snagging. It was for Knightstone to check the quality of the work when it was carried out. There was no evidence either way to say whether or not that had been done. It is difficult for the Tribunal to assess, 18 months after the work was carried out, whether or not it was done to a reasonable standard. The Tribunal considers that Miss Arcus' evidence was too vague and was not substantiated. It finds that the work was carried out to a reasonable standard.
92. **Fixed assets.** The cost of the fire alarm was not challenged by Miss Arcus. The Tribunal accepts that it was reasonable. The Tribunal does not accept Miss Arcus' evidence as to the cost of installing a new door entry system. Her evidence related to costs in 2009 and not when the work was carried out. Knightstone gave evidence that it obtained competitive quotations for the work and that they went through the consultation process with no objections being received. The Tribunal is satisfied that the cost was reasonable. Although there could be an argument about the total cost of the carpet, the actual amount charged by Knightstone was £460.20 which is similar to the quotation which Miss Arcus obtained from Allied carpets. The Tribunal is satisfied that it was reasonable for the carpet to be replaced and the amount charged was reasonable. The cost of the cleaning storage and equipment has already been considered in the overall cost of cleaning and the Tribunal finds that that charge was reasonable.

93. Consequently, the Tribunal finds that the following costs which Knightstone is seeking to recover under the heading of fixed assets are reasonable:
Fire alarm - £3,169.07 and £148.33 being charged over 15 years at £191.82 per year; Door entry system - £1,492 being charged over 20 years at £74.60 per year; Carpet - £921 being charged over 12 years at £76.80 per year but the charge is waived from year ending 31 March 2009; Cleaning storage and equipment – being charged at £13.56 over 15 years from the year ended 31 March 2008. This results in the totals charged to the Property being £343.22 in the years ended 31 March 2006 and 2007, £356.78 in 2008 (adding the storage) and £279.98 in 2009 (deducting the carpet).

94. **Day to day repairs.** The Tribunal is satisfied that the cost of repairs to the door closer in 2006/07 was reasonable. The Tribunal finds that the cost of the repairs to window and the ceiling rose in 2007/08 were reasonable. It disallows the cost of redecoration of the ceiling as there was no clear explanation as to why that cost was incurred. It also disallows the cost of the light bulbs as there were no invoices for them. $£149.21 + £35.94 \div 4 + 15\% = £53.23$. The total costs allowed for day-to-day repairs are:

2004/05 -- £234.26 credit

2005/06 – £0.00

2006/07 -- £65.18

2007/08 -- £53.23

2008/09 – £0.00.

95. **Summary:** The net results of these conclusions are shown on the attached schedules and are set out in the decision above.

96. As far as Miss Arcus is concerned, the refunds applied by Knightstone on its schedules for time clock adjustment in 2005/06, 2006/07 and 2007/08, for the cleaning contract and for day to day repairs are reflected in the actual service charge calculations prepared by the Tribunal, so no further credit is due for those items. However, a credit is still allowed on the schedules for the refund for the capital cost of the door entry system and the one year allowance for the carpet.

97. As far as Mr. Brand is concerned, no service charge is payable by him for the year ended 31 March 2007 as he did not become a leasehold owner until 20 July 2007. Otherwise, the figures for him are the same as for Miss Arcus with the exception of the fact that he has to pay for time clock adjustment in 2007/08 and he does not get a refund for the capital cost of the door entry system or the one year allowance for the carpet. He had the use of the door entry system in 2007/08 and he did not contribute towards the carpet in 2001/02 which is the period for which the refund was made. For the year ended 31 March 2008, Mr. Brand only has to pay a proportion of the overall

service charge reflecting his ownership of the flat from 20 July 2007. He was a leaseholder for 254 days making the service charge payable by him for that year to be £681.10.

98. **Section 20C.** The Tribunal makes no determination as to whether or not Knightstone is entitled to recover its costs through the service charge. The Tribunal merely has to consider whether to make an order under section 20C of the Act. Parts 6 and 10 of the RICS Service Charge Residential Management Code provide that demands for service charges must be clear and that accounts should be transparent. Knightstone sent out annual demands for service charge to the leaseholders but it did not prepare and issue to the leaseholders year end accounts which clearly reconciled those demands with actual expenditure. Knightstone tried to reconcile expenditure to 31 March in each year when the demands were prepared to 30 September in each year. That made it extremely difficult for the leaseholders to see the costs that they were being asked to contribute towards. If Knightstone is seeking payment of a service charge, it is for Knightstone to ensure that it produces clear statements of account. It did not do that. Mr Cannon says that the application was inevitable. The Tribunal cannot be sure about that. It was Knightstone which made the application before it had issued clear accounts for the service charge. Even after the first hearing on 12 October 2009, there were still no clear accounts; merely a schedule of adjusted charges and a file of supporting invoices, some of which were missing. As a result, it was necessary to go through each and every item individually. The Tribunal has some sympathy with Knightstone as it has been trying to obtain payment from Miss Arcus since March 2007 and there has been considerable correspondence about various issues. However, the basic fact is that Knightstone failed to supply clear accounts. Taking into account all the circumstances, the Tribunal is satisfied that it is just and equitable to make an order under section 20C.

Signed

J G Orme
Chairman
11 February 2010

Flat 2, 38 Rivers St. Bath	2005-06			2006-07			2007-08			2008-09		
	demand £	actual £	allowed £	demand £	actual £	allowed £	demand £	actual £	allowed £	demand £	actual £	allowed £
Service charge for Communal services												
cleaning materials					97.97		104.35	25.90		30.15	55.33	
cleaning equipment repairs											5.86	
cleaning wages (directly employed cleaners)					29.31		311.80	304.49		338.87	300.62	
cleaning supervisor payroll					34.19		106.26	95.24		112.66	107.62	
cleaning travel					31.14		62.29	74.61		73.37	80.34	
cleaning telephone											10.11	
assets < £100											13.46	
contract cleaning - external contractor				645.00	496.34							
Total cleaning costs allowed						0.00			500.24			573.34
window cleaning				108.61	35.25	0.00	70.50	70.50	70.50	70.50	105.00	105.00
electricity				66.77	54.23	0.00	54.23	76.48	76.48	30.22	45.93	45.93
repairs carpet											76.07	0.00
replacement light bulbs								14.38	14.38			
Service fire fighting equipment				13.81	13.45	0.00	13.45	13.84	13.84	13.84	16.66	16.66
service fire alarm/smoke dispersal				47.52	112.28	0.00	97.60	80.29	79.52	83.74	86.26	80.68
service emergency lighting				8.05	21.18	0.00	22.96	18.19	15.90	16.14	16.46	16.38
repairs fire/smoke alarm					309.62	0.00		236.77	190.94		100.11	100.11
repairs time clock adjustment				57.02	37.62	0.00	37.62	35.53	35.53	35.53	43.14	43.14
Sub-total of service charge for 38 Rivers St				946.78	1,272.58	0.00	881.06	1,046.22	997.33	805.02	1,062.97	981.24
Administration @ 15% plus surplus/deficit				191.41	190.89	0.00	181.03	156.93	149.60	140.60	159.45	147.19
recovery of cost of fixed assets				343.22	343.22	0.00	356.78	356.78	356.78	279.98	279.98	279.98
Total for 38 Rivers St				1,810.71	1,806.69	0.00	1,744.67	1,559.93	1,503.71	1,357.88	1,502.40	1,408.41
1/4 share for flat 2				452.68	451.67	0.00	436.17	389.98	375.93	339.47	375.61	352.10
Other charges												
sinking fund				323.81	323.81	0.00	323.81	323.81	323.81	943.45	943.45	943.45
insurance				199.71	199.71	0.00	79.78	79.78	79.78	79.78	79.78	79.78
administration				146.00	146.00	0.00	146.00	146.00	146.00	152.00	152.00	152.00
day to day repairs (1/4)				116.80	65.18	0.00	6.87	132.79	53.23	132.79	56.72	0.00
Total for flat 2				1,239.00	1,186.37	0.00	992.63	1,072.36	978.75	1,647.49	1,607.56	1,527.33
service charge refunds												
door entry system												
carpet cost												
time clock adjustment												
cleaning contract												
day to day repairs					-11.66			-20.84			-56.72	
Total refunds				0.00	-11.66	0.00	0.00	-20.84	0.00	0.00	-56.72	0.00
Total service charge for flat 2				1,239.00	1,186.37	0.00	992.63	1,072.36	978.75	1,647.49	1,607.56	1,527.33
Less total refunded				0.00	-11.66	0.00	0.00	-20.84	0.00	0.00	-56.72	0.00
Net total demanded				1,239.00	1,174.71	0.00	992.63	1,051.52	978.75	1,647.49	1,550.84	1,527.33