



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

**Case Reference** : **BIR/00GF/LIS/2018/0033**

**Property** : **Nos 47, 48, 49, 50 & 52 Downton Court,  
Hollinswood, Telford, TF3 2BT**

**Applicants** : **Topfield Ltd (No 47)  
Swapnil Singh & Paula Singh (No 48)  
Karen Mary Allen (No 49)  
John Evans (No 50)  
Christopher Thomas (No 52)**

**Representative** : **Swapnil Singh**

**Respondent** : **Arav Commercials Limited**

**Representative** : **Blocsphere Property Management Limited**

**Type of Applications** : **An application under sections 19 and 27A of the  
Landlord and Tenant Act 1985 for a determination  
of liability to pay and reasonableness of service  
charges.**

**Applications for Orders for the Limitation  
of the Respondent's costs in the proceedings under  
section 20C of the Landlord and Tenant Act 1985 and  
under paragraph 5A of Schedule 11 to the  
Commonhold and Leasehold Reform Act 2002  
reducing or extinguishing the tenant's liability to  
pay an administration charge in respect of  
litigation costs**

**Tribunal Members** : **V Ward BSc (Hons) FRICS  
P Hawksworth Lawyer**

**Date of Decision** : **7 March 2019**

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**DECISION**

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## **Background.**

1. The Applicants seek a determination under sections 19 and 27A of the Landlord and Tenant Act 1985 as to whether or not service charges, in respect of the above Properties, are reasonable, due and payable.
2. The Applicants also seek an Order for the Limitation of the Respondent's costs in the proceedings under section 20C of the Landlord and Tenant Act 1985 and an Order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.
3. From the application made, the Tribunal identified the following issues to be determined:

Service charges for the following periods (service charge years):

2015/2016  
2016/2017  
2017/2018  
2018/2019

4. Following a case management conference on 29 August 2018, the Tribunal invited the parties to consider mediation as a possible way of resolving the dispute. However it was not possible to arrange a mutually date convenient date between the parties and the Tribunal decided to determine this matter by way of an inspection of the development, an oral hearing and written submissions of the parties and the appropriate directions were issued.
5. The five Applicants are all leaseholders in a block of six apartments that forms part of the Downton Court development. The owner of Number 47, Topfield Limited, was not a party to the original application but applied subsequently to join the same. The Tribunal accepted the joining application after allowing the Respondent the opportunity to comment in respect of the same which they declined to do.
6. The Respondent is the freeholder of the block whilst their representative, Blocsphere Property Management Limited, is the managing agent.
7. Following a purchase of the freehold interest by the Respondent in April 2017, in October 2017, Blocsphere were appointed managing agents. From a review of the submissions of the parties it was clear to the Tribunal that it was from this point onwards that the Applicants dispute over the service charge started. Accordingly, the Tribunal's decision focuses on the period from the appointment of Blocsphere as the managing agents to date, specifically:
  - The service charge year ending 31 March 2018

- The budget for the service charge year ending 31 March 2019

## **The Law**

8. The relevant sections of the Landlord and Tenant Act 1985 are as follows:

### **19 Limitation of service charges: reasonableness.**

*(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.....*

### **20C Limitation of service charges: costs of proceedings.**

*(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or leasehold valuation tribunal or the First-tier Tribunal, or the Upper Tribunal or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.*

*(2) The application shall be made—*

*(a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to the county court;*

*(aa) in the case of proceedings before a residential property tribunal, to a leasehold valuation tribunal;*

*(b) in the case of proceedings before a leasehold valuation tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any leasehold valuation tribunal;*

*(ba) in the case of proceedings before the First-tier Tribunal, to the tribunal;*

*(c) in the case of proceedings before the Upper Tribunal, to the tribunal;*

*(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to the county court.*

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

### **27A Liability to pay service charges: jurisdiction**

*(1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to—*

- (a) the person by whom it is payable,*
- (b) the person to whom it is payable,*
- (c) the amount which is payable,*
- (d) the date at or by which it is payable, and*
- (e) the manner in which it is payable.*

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

*(3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—*

- (a) the person by whom it would be payable,*
- (b) the person to whom it would be payable,*
- (c) the amount which would be payable,*
- (d) the date at or by which it would be payable, and*
- (e) the manner in which it would be payable....*

9. The relevant sections of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 are as follows:

### **Limitation of administration charges: costs of proceedings**

*5A (1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.*

*(3) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable.*

*(4) In this paragraph—*

*(a)“litigation costs” means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and*

*(b)“the relevant court or tribunal” means the court or tribunal mentioned in the table in relation to those proceedings.*

## **The Inspection**

10. The Tribunal carried out an inspection of the development on 23 January 2019. Present at the inspection was Mr Evans, one of the Applicants. Neither the Respondent nor their representative attended the inspection.
11. Downton Court comprises a development of eighty five residential units organised in a courtyard. The subject properties are in one block, containing six flats, numbered 47 to 52, within the courtyard. It is understood that the other properties within the development are managed by another agent.
12. The block containing numbers 47 to 52 is arranged over ground, first and second floors, with two flats per floor. The development is constructed of cavity/blockwork walls with glazed panels surmounted by a shallow pitched roof with a flat roofed section over the communal staircase.
13. The communal hallway, staircase and landings have a facing brick finish to walls and a tiled floor. Externally there is a central area of open space largely laid to grass within the courtyard.
14. At the time of inspection, the cleanliness of the communal areas was poor.

## **The Leases**

15. The Tribunal was provided with Leases to Flats 47, 48, 49, 50 and 52. The Leases were in two formats – an old type lease granted by Telford Development Corporation and a new type Lease (containing Land Registry Prescribed Clauses) granted by Wrekin Housing Trust Limited. Both types of lease contained service charge provisions and covenants on the part of the tenant to pay a service charge.
16. The old type lease defined the service charge as “that part of the expenses and outgoings incurred by the Lessor..... calculated in accordance with the provisions of paragraph 5 hereof in complying with its obligations set out in Part II of the Sixth Schedule hereto including interest paid on any money borrowed for that purpose”. The Lease then went on to provide for certification by the Lessor’s Director of Finance as soon as practicable after the end of the Lessor’s financial year of the final amount due for the year in question and it also required the tenant to pay an estimated service charge by equal instalments on 1 April, 1 July, 1 October and 1 January. The service charge year was 1 April to 31 March.
17. As to the ascertainment of the service charge for each flat, the old type lease set

out the method applicable as under:

“The service charge shall be calculated by dividing the aggregate of the said expenses and outgoings incurred by the Lessor in the year to which the certificate relates by the aggregate of the rateable values in force at the end of such year of all the premises within the Block of Flats and then multiplying the resultant amount by the aggregate rateable value of the demised premises”

18. The old type lease then went on at the Fourth Schedule clause 6 to define “the expenses and outgoings incurred by the Lessor” to be not only actually disbursed payments but also such reasonable part “of such expenses outgoings and other expenditure which are of a periodically recurring nature (whether recurring or by regular or irregular periods ) whenever disbursed incurred or made ..... including a sum or sums of money by way of reasonable provision for anticipated expenditure in respect thereof as the Lessor may in its discretion allocate to the year in question as being fair and reasonable in the circumstances” The lease for Flat 52 was an old type lease but with slightly different cross referencing of clauses than the other older type leases but essentially contained the same service charge provisions as the other older type leases.
19. The new type lease provided that a service charge was payable (Clause 2.3(b)) which was to be “a fair proportion of the Service Costs” and “such reasonable flat rate charge as we determine is necessary to cover our direct and indirect costs incidental to the management of the Building and/or the provision of the Services where there is no direct expenditure on which to levy our management charge”.
20. As with the old type lease, the service charge year was expressed to be from 1 April to 31 March. “Service Costs” were set out in Paragraph 2 of Schedule 6 of the new type lease and “Services” were listed in Paragraph 1.2 of Schedule 6. Additionally, the new type lease contained provision for the landlord to establish a sinking fund (see Paragraph 4.2 of Schedule 6).
21. As to the method of payment of the service charge, the new-type lease provides for an estimated service charge to be payable which is to be invoiced annually (with the tenant having the right to opt for instalment payments) on 1 April and then for subsequent reconciliation of the estimated and actual sums due and provision for a final statement to be provided, as to which see Schedule 6 Paragraph 3 of the new type lease.
22. The Applicants raised no issue as to their liability to pay a service charge. As to the mode of its calculation, for the years in question, the Tribunal is satisfied that the parties intended that the new type lease formula of the service charge being “a fair proportion of the Service Costs” should apply. No evidence was available to the Tribunal on the point, but it considers it highly unlikely that the rateable value formula for determining the service charge has been used in

recent years and certainly there was no evidence of its use for the years covered by the Application in this case. Accordingly, the Tribunal decided to consider the sums claimed and challenged on the basis that the contractual position between the parties was that the service charge should be a “a fair proportion” of the costs incurred in providing the services including a provision for anticipated expenditure.

### **The Hearing**

23. A hearing was held the following day, 24 January 2019, at the Tribunal Hearing Suites, Centre City Tower, Hill Street, Birmingham. Present at the hearing were, on behalf of the Applicants, Mr S Singh and Mr J Evans. The latter was accompanied by his sister, Mrs Mountfield. At the time the hearing was due to start, neither the Respondent or their Representative Blocsphere, or a representative on their behalf, had arrived. The hearing clerk telephoned Blocsphere who said they were unable to attend but that the hearing should proceed anyway. No request or application for an adjournment was made and since extensive written submissions had been made by the parties in any event, the Tribunal decided to proceed with the hearing.
24. The submissions of the parties both in writing and at the hearing were as follows.

### **Service Charge year ending 31 March 2018**

25. The Tribunal initially considered the Income and Expenditure account for the service charge year 31 March 2018 which is attached to this decision.
26. The Tribunal finds it convenient to summarise the parties’ comments in respect of each cost heading below, together with the Tribunal’s own comments. It should be noted that the actual period of management within this service charge year was only 6 months, following the takeover by Blocsphere in October 2017. Further it appeared from the evidence presented that the costs were only being applied to five flats and not all six flats in the block. As stated above, the service charge for each flat should be a fair proportion of the service costs incurred. Such fairness requires that the total costs to be apportioned between all the flats in the block, i.e. six flats not five. At present the Applicants, are in effect, subsidising the costs properly due by way of service charge from the remaining flat owned, the Tribunal understands, by the Respondent! “A fair proportion” of service costs requires apportionment between all the flats in the block.

## Repairs and Maintenance

### Electrical Maintenance and Testing

27. The Respondent provided copy invoices that confirmed that the amount of £984.00 was primarily made up of a replacement lighting system for £858.00 whilst the remainder was for an investigation into a lighting fault for £126.00.
28. The Applicants had obtained a quotation from a local contractor that indicated that the total annual costs for electrical certification and testing and the replacement of fittings including labour would be £495.00. The Applicants were also of the opinion that, in fact, no works had been carried out to the wiring and lighting installation.
29. The Tribunal's award. The lighting installation as noted during the Tribunal's inspection appeared basic. However there has to be annual testing and maintenance of the lighting system and there will be undoubtedly be repairs. The Tribunal accepts the Applicants' quotation in the sum of £495.00 which is reduced to £400.00 to allow for the fact the period in question is only 6 months.

### Building Internal

30. The Respondent provided copy invoices that confirmed that the amount of £694.00 was made up of costs incurred for adjusting a door closer for £40.00, opening a sealed door on the ground floor and fitting a push button handle for £150.00, an unspecified invoice for repairs for £174.00 and an asbestos survey at a cost of £330.00.
31. The Applicants were of the opinion that no works had been carried out to the communal elements of the block during this year.
32. The Tribunal's award. The Tribunal did not note the sealed door with push button handle in the communal areas and this amount is disallowed as is the unspecified invoice. The other repair invoice for adjusting the door closer is allowed as is the cost of the asbestos survey. The amount allowed is therefore £370.00

### Building External

33. The Respondent provided copy invoices that confirmed that the amount of £200.00 was made up of costs incurred for an extension pipe to the overflow for £50.00 and a further £150.00 for guttering repairs.
34. The Applicants were of the opinion that these works had not been carried out.



35. The Tribunal's award. The block itself is very small and guttering charges should consequently be reasonable. Of the amount claimed 50% is allowed - £100.00.

### Cleaning

#### Communal Area Cleaning

36. The Respondent provided four invoices for cleaning totalling £468.00.
37. The Applicants had obtained quotations and comparisons from other managing agents that gave annual prices of between £180 and £350.
38. The Tribunal's award. The hard-surfaced nature of the internal communal areas means that costs in this regard should be relatively low albeit that at the time of inspection it did not appear that the cleaning was being carried out to a particularly high standard. The amount allowed is £100.00.

### Health and Safety

#### Consultancy

39. The Respondent did not provide any justification for the costs identified in the accounts in the sum of £366.00.
40. The Applicants could not comment as there was no indication of what the cost was actually for?
41. The Tribunal's award. This amount is disallowed, there is no justification for the same.

### Insurance

#### Buildings insurance

42. The Respondent did not provide a copy of the insurance schedule relating to the block however the accounts indicated a cost of £415.00.
43. The Applicants did not comment specifically in respect of this item.
44. The Tribunal's award. The Respondent must of course provide buildings insurance. A copy of the schedule should have been provided however the cost is not unreasonable for the period in question and hence £415.00 is allowed.

## Reinstatement Assessment

45. The Respondent did not make comment in respect of this item which is entered in the accounts at £480.00.
46. The Applicants did not comment specifically in respect of this item.
47. The Tribunal's award. It is not unreasonable that a reinstatement cost assessment be carried out to ensure that the block is correctly insured however a copy of the invoice relating to the same and a copy of the report should be provided. The cost incurred appears excessive and is reduced by 50% to £240.00.

## Professional Fees

### Accountancy

48. The Respondent provided a copy of the certified accounts within their bundle. The cost entered into the accounts for accountancy is £594.00.
49. The Applicants had provided estimates of £150.00 which were contained within alternative agents quotes for the management of the development.
50. The Tribunal's award. A professional independent accountant is required but the cost incurred appears excessive and is reduced to £300.00

### Management fees

51. The Respondent did not make comment in respect of this item which is entered in the accounts at £915.00.
52. The Applicants consider that the managing agents do not provide a good service, are slow to respond and expensive.
53. The Tribunal's award. This block would not be particularly difficult to manage, it is small but relatively "simple". Due to the small number of flats the Tribunal considers that an annual cost of £750.00 would be reasonable therefore £375.00 for the period in question.

## Administration Costs

### Postage

54. Postage of £4.00 is disallowed.

## Administration Costs

55. The Respondent identified various costs under this heading:

a) Land Registry Copy Documents	£21.60
b) Additional Hourly rate – Director to respond to letter	£90.00
c) BACS charge	£00.96
d) Print and supply fire safety leaflet	£54.00
e) Mileage Site Visit	£10.08
f) Additional Hourly rate – Director out of hours phone call	£60.00
g) Advice to the Respondent in respect of 50 Downton Court	£114.00
h) BACS charge	£1.44
i) Additional Hourly rate – Director advice to letting agent	£120.00
j) BACS charge	£00.96
k) BACS charge	£00.96
l) Mileage Site Visit	£10.80
Total	£485.52

The amount identified in the accounts for this item is £491.00

56. The Applicants consider that these charges should not fall to be paid within the service charge.
57. The Tribunal's award. With the exception of d) these costs should either fall to be provided by the managing agent as part of their fee or charged to the individual concerned as with g) or the BACS charges. Amount allowed £54.00.

## Special Funds

### Reserve Fund Transfer

58. The Respondent stated the reserve fund transfer of £2445.00 was justified due to the age and type of the building.
59. The Applicants had provided estimates of up to £600.00 which were contained within alternative agents quotes for the management of the development.
60. The Tribunal's award. In the absence of a planned maintenance report setting out specific costs justifying the same, the amount transferred is considered excessive. The reserve fund contribution is reduced to £600.00

## Summary

61. The Tribunal's award for the service charge year ending 31 March 2018 is £2,954.00 i.e. £590.80 per leaseholder.

62. The Tribunal notes that the amounts of service charge demanded by the Respondent for this period was £12,225.00 which equates to £2,445.00 per leaseholder (on the basis of five properties contributing) for a period of management that was approximately 6 months. The Tribunal considers this level of service charge exorbitant. The accounts for the period indicates that the amount expended (before adjustment by the Tribunal) was £8,056.00 hence there was a surplus of £4,169.00. The Tribunal is disappointed to note that in the demands for the following service charge year there no credit had been given to the individual leaseholders for this surplus.
63. The Tribunal directs that within 21 days, the Respondent should credit the service charge account of each Applicant in line with this decision. Any late payment fees or administration charges that have been added to Applicants' accounts as a result of the surplus from the period ending 31 March 2018 not being added to their account should be re-credited within a similar period.

### **Service Charge budget year ending 31 March 2019**

64. The Tribunal then considered the budget for the service charge year ending 31 March 2019. The amount demanded by Blocsphere on account for this period was £2,214.00 per leaseholder. These amounts have effectively been considered generally under the headings above.
65. As part of their evidence, the Applicants provided quotations for the annual service charge from other managing agents. Ordinarily the Tribunal would give little credence to this form of evidence, the service charge payable for one development would not necessarily translate onto another, the needs of each could be very different. However, one of the quotes was from Homewise UK Ltd who manage the adjoining properties in Downton Court. The Tribunal considers therefore that these agents must have knowledge and experience of the properties in the development and the costs relating to the same. Homewise indicated a service charge budget of £640.00 pa for the subject properties. There would be an element of economies of scale in this budget as we understand Homewise manage most of the properties in the development.
66. The Tribunal therefore considers the following budgetary costs reasonable for the year ending 31 March 2019.

#### Repairs and Maintenance

Electrical Maintenance and Testing	£195.00
General Repairs (Internal & External)	£400.00
Communal Electricity Charges	£150.00

### Cleaning & Gardening

Communal Area Cleaning	£200.00
Gardening	£200.00

### Health and Safety

Consultancy (e.g. Fire Risk Assessment)	£200.00
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### Insurance

Buildings insurance	£830.00
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### Professional Fees

Accountancy	£300.00
Management fees	£750.00

### Administration Costs

General	£100.00
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### Special Funds

Reserve Fund Transfer	£600.00
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<b>TOTAL</b>	<b>£3,925.00</b>
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Per Property	£785.00
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### Summary

67. The Tribunal considers that a reasonable service charge budget for the year ending 31 March 2019 is £785.00 per property. There may of course be unforeseen repairs or works required to the property which would incur a charge to the leaseholders above the budgetary amount. In these cases, three quotations should be obtained and the invoices sufficiently detailed to enable the leaseholders to clearly see what works had been carried out and why. There should be complete transparency in this regard. The amount demanded by Blocsphere on account for this period was £2,214.00 per leaseholder which again the Tribunal considers excessive in the extreme.
68. The Tribunal would make an additional comment to the effect that they do not consider that any competent managing agent would levy a service charge in excess of £2,000 per property per annum for the subject properties unless there

was a specific repair being planned which would necessitate consultation procedures being followed.

### **Section 20C Application**

69. The Applicants sought an Order for the Limitation of the Respondent's costs in the proceedings under section 20C of the Landlord and Tenant Act 1985. The purpose of an application under section 20C is to prevent a landlord from recovering his costs in Tribunal proceedings through the service charge. The guidance given in previous cases is to the effect that an order under section 20C is to deprive the landlord of a property right and it should be exercised sparingly see *Veena SA v Cheong Lands Tribunal [2003] 1 EGLR 175*. However, in this case the Applicants have enjoyed considerable success in their challenge to items in dispute and it would not be just and equitable to allow the landlord to recover the costs of proceedings via the service charge.
70. Accordingly, the Applicants' section 20C application succeeds and the Respondents may not recover the costs of these proceedings from the Applicants via the service charge.

### **Paragraph 5A Application –**

71. The Applicants sought an Order under paragraph 5 A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs. Litigation costs means costs incurred or to be incurred by the landlord in connection with proceedings before a Court, First-tier Tribunal, Upper Tribunal or arbitral Tribunal. It is open to the Tribunal when considering a paragraph 5A Application to make such order relating to litigation costs as it considers to be just and equitable. In this case, litigation costs would be the costs incurred by the Respondent in resisting the Applicants' challenge to the service charge for the years in question. The Tribunal have not been given any costs information by either party. The hearing was short and was not attended by anyone on behalf of the Landlord, therefore, as far as the Landlord is concerned litigation costs would not have been incurred as far as representation at the hearing was concerned. In the submissions of the parties, the Respondent was represented by its managing agents. In the case of *Avon Ground Rents Ltd v Child* (2018) UKUT 0204(LC) amongst other issues, the Upper Tribunal considered the question of costs of representation and stated:

*“The legal principles for assessing the reasonableness of service charges are well-established and clear. In many cases there will be no issue about the relevant principles to be applied and their application will not be so difficult as to make legal representation essential or even necessary. In such cases a representative from the landlord's managing agents should be able to deal*

*with the issues involved. After all, those agents will have been directly involved in the decisions taken pursuant to the lease to provide services .....*”.

72. The above is the case here; the submissions on behalf of the Respondent were dealt with by an Agent and as such combined with the fact that the Respondent was not represented at the hearing, the Tribunal would expect litigation costs to be minimal. Nevertheless, and in spite of the reductions made in this Decision, a service charge is payable and in the Tribunal’s view it is premature at this stage to place restrictions on the Respondents ability to recover if payment is withheld or refused. Accordingly, for the purpose of this decision at this stage, the Tribunal makes no order under Paragraph 5A. If, however, litigation costs are incurred subsequent to this decision in a future years or years, the Applicants as part of a challenge to the service charge for those years, may make a further Paragraph 5A application, although it should be noted by the Applicants, that if recovery or attempted recovery of unpaid service charge and costs takes place in the County Court, any Paragraph 5A Application should be made to that Court and not the Tribunal. The First-tier Tribunal cannot make a Paragraph 5A Order in respect of litigation costs incurred in County Court proceedings.
73. In making its Determination, the Tribunal had regard to its inspection, the submissions of the parties, the relevant law and its knowledge and experience as an expert Tribunal, but not to any special or secret knowledge.

### **Appeal**

74. A party seeking permission to appeal this decision must make a written application to the Tribunal for permission to appeal. This application must be received by the Tribunal no later than 28 days after this decision is sent to the parties. Further information is contained within Part 6 of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 (S.I. 2013 No. 1169).

V WARD

ARAV COMMERCIALS LTD  
DOWNTON COURT

INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2018

	2018		ANNUAL BUDGET
	£	£	£
<b>Income</b>			
Service charge demanded		12,225	
<b>Expenditure</b>			
<b>Repairs &amp; Maintenance</b>			
Electrical maintenance and testing	984		750
Building internal	694		750
Building external	200		500
<b>Cleaning</b>			
Communal area cleaning	468		1,250
<b>Health &amp; safety</b>			
Consultancy	366		570
<b>Insurance</b>			
Building Insurance	415		650
Reinstatement assessment	480		-
<b>Utilities</b>			
Electricity	-		1,560
<b>Professional fees</b>			
Accountancy	594		600
Management fees	915		1,620
<b>Gardening</b>			
External Maintenance			1,450
<b>Administration costs</b>			
Postage and stationery	4		30
Administration costs	491		50
<b>Special funds</b>			
Reserve fund transfer	2,445		2,445
		<u>8,056</u>	<u>12,225</u>
Surplus for the period		<u>4,169</u>	
<b>Reserve Fund</b>			
Reserve fund transfer		2,445	
Balance at 31 March 2018		<u>2,445</u>	