FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**CAM/42UD/LSC/2024/0016**
Property	**:**	**Flat E, Anchor Court, 20 Park Road, Ipswich, IP1 3SU**
Applicants	**:**	**Milon Miah (1), Holly Ramsey (2)**
Representative	**:**	**Milon Miah**
Respondent	**:**	**Anchor Court Management (Ipswich) Limited**
Representative	**:**	**Gwyneth Everson, Counsel, instructed by Gaby Hardwicke Solicitors**
Type of application	**:**	**For the determination of the liability to pay service charges under section 27A of the Landlord and Tenant Act 1985**
Tribunal members	**:**	**Judge Bernadette MacQueen Mr Gerard Smith, MRICS, FAAV, REV**
Venue	**:**	**Cloud Video Platform (CVP)**
Date of hearing	**:**	**10 April 2025**
Date of Decision	**:**	**18 June 2025**

DECISION

Decisions of the Tribunal

(1) The Tribunal determines that the sums are payable by the Applicants in respect of the service charges for the years as set out below.

(2) The Tribunal makes the determinations as set out under the various headings in this Decision.

(3) The Tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985 or paragraph 5A Schedule 11 Commonhold and Leasehold Reform Act for the reasons set out in this decision.

The Application

1. The Applicants sought a determination pursuant to section 27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the amount of service charges and (where applicable) administration charges payable by the Applicant in respect of the service charge years from service charge year end 2010 to service charge year end 2024.

2. Directions were made for the exchange of evidence and this culminated with the Tribunal being provided with a hearing bundle prepared by the Applicants that consisted of 1,289 numbered pages. Within the bundle, at tab 10, were witness statements that were numbered separately as 1 to 113. Additionally, there was a supplementary bundle prepared by the Respondent which consisted of 72 pages. Both the Applicants and Respondent had prepared skeleton arguments.

The Hearing

3. The Applicants appeared in person at the hearing, and the Respondent was represented by Gwyneth Everson, Counsel.

4. The Tribunal heard oral evidence from Milon Miah and Holly Ramsey, the Applicants, and on behalf of the Respondent Alexander Boyle, registered proprietor of Flat B/D and director of the Respondent, Maria Boyle, registered proprietor of Flat B/D and director of the Respondent, Katherine Lawrence, registered proprietor of Flat C and director of the Respondent, and Samantha Lapworth, director of East Block Limited (Managing Agent for the Respondent).

5. Neither party requested an inspection of the Property and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

The Background

6. The property the subject of this application was Flat E, Anchor Court, 20 Park Road, Ipswich, IP1 3SU (the "Property"). Anchor Court was of Victorian construction built around 1890 as a single dwelling but converted into six flats (A to F) in the late 1950s. Flats B and D have since been converted into a single flat.

7. Two smaller buildings known as "the Lodge" and "the Cloisters" were transferred out of the freehold title to Anchor Court between 2000 and 2006 and are now registered under separate freehold titles. These buildings fall within the curtilage of Anchor Court, and have use of the grounds of Anchor Court upon payment of an estate charge ("the Estate Charge").

8. The Applicants were registered as the proprietors of the Property on 6 December 2019 (HM Land Registry title number SK364711). The Applicants hold a long lease of the Property which requires then to pay one-sixth of the service charge for Anchor Court and because the Lodge and the Cloisters contribute, one-ninth of the total expenditure of the Estate Charge. The specific provisions of the Lease and will be referred to below, where appropriate.

9. The Respondent is a residents' management company set up to manage the freehold title, which is registered at HM Land Registry under title number SK64434. The Respondent Company (ACMIL) was registered as the freehold proprietor of Anchor Court on 23 June 2010 following a collective enfranchisement. The Directors of the company are Alexander and Marie Boyle (Flat B/D) and Katherine Lawrence (Flat C).

The Lease

10. By a Lease included in a Deed of Surrender and Regrant dated 4 December 2015 ("the Deed"), a term of 999 years from 29 September 2015 was granted for Flat E ("the Lease"). The Lease incorporated (with some minor variation) the terms of a lease dated 1 March 2002 by which a term of 99 years from 4 July 1986 was granted for Flat E.

11. By clause 6 of the Deed, the "rights, reservations, benefits, covenants, obligations and responsibilities" of the "Lessor" and "Management Company" are vested in the Respondent.

12. The relevant provisions are as follows:

    Clause 2.4 the Lessee covenants to pay to the Lessor (ACMIL) all:

> " costs charges and expenses (including solicitors' costs and Surveyor's fees) incurred by the Lessor or which may become payable by the Lessor for the purpose of or incidental to the preparation and service of a notice under section 146 or 147 of the Law of Property Act 1925..."

Clause 3.8 – the Lessee covenants

> "To pay to the Management Company [ACMIL] in respect of each year ending on the 31st day of December (hereinafter called "the maintenance year") the percentage applicable to the demised premises specified in Part IV of the First Schedule hereto (which percentage shall be variable as stated in sub-clause 3.11.2) of the costs charges expenses and management fees from time to time incurred by the Management Company in carrying out its obligations under the Fifth Schedule hereto including a percentage of the premium on all policies of insurance (hereinafter called "the maintenance charges") such amounts to be paid as hereinafter provided..."

Clause 3.9 - the Lessee covenants:

> "To pay to the Management Company [ACMIL] in advance on the 1st day of January and the 1st day of July in each year on account of the maintenance charges payable by the Lessee one half of such amount as the Management Company shall certify to be the estimated amount of the maintenance charges attributable to the demised premises for such maintenance year (such certificate to be final and binding on the Lessee)".

Clause 3.11 - the Lessee covenants:

> "Within twenty eight days after the accounts of the Management company for the maintenance year have been audited and a certificate signed by the auditors stating the amount of the maintenance charges attributable to the demised premises for that year (or a certified copy thereof) has been served on the Lessee (such certificate to be final and binding on the Lessee) to pay to the Management Company the amount (if any) by which the maintenance charges payable in respect of the demised premises for such year exceed the amount paid on account in respect of such year PROVIDED THAT if the amount of such maintenance charges payable for the year in respect of the demised

premises is less than the amount paid in advance on account therefore the excess shall at the discretion of the Management Company either be repaid to the Lessee or retained by the Management Company on account of payment due from the Lessee in future years…”.

Clause 5:

> “IN consideration of the covenants on the part of the Lessee herein contained and of the payment of the maintenance charges the Management Company HEREBY COVENANTS with the Lessee that SUBJECT TO the receipt by the Management Company of the maintenance charges from the Lessee and throughout the term hereby granted to provide and carry out or procure the provision and carrying out of the services particulars of which are set out in the Fifth Schedule hereto…”

13. As set out above, the Applicants were liable for one-sixth of the total expenditure of the service charge for Anchor Court, and one-ninth of the total expenditure for the Estate Charge. The reason why the contribution for the Estate Charge was one-ninth was that the Lodge and the Cloisters also contribute. For completeness, this was defined in Part IV of the First Schedule as:

> “one-sixth of all maintenance charges except those incurred in connection with the responsibilities carried out by the Management Company detailed in clause 5 of the Fifth Schedule hereto of which one-ninth shall be the percentage payable.”

14. For completeness, Flat B/D Anchor Court, was obliged under their lease (lease dated 25 September 1997 and made between Leslie John Cahill and others (1), Anchor Court Management (2), and G and C Turner (3)) to pay two-sixths of all maintenance charges and two-ninths in relation to the clause 5 Fifth Schedule charges.

15. Clause 5 of the Fifth Schedule provided:

Responsibilities of the Management Company:

> “Properly to cultivate and preserve in good order and condition the gardens and grounds of the Building and the Lessor’s Land and in particular to maintain lop and top the trees therein or replace them as may be necessary and to keep the entrance drives

> forecourt and paths of the Lessor's Land properly weeded and surfaced".

Reserve Fund

16. 15.1 of the Fifth Schedule entitled the Management Company to set aside each year an appropriate amount as a reserve fund for or towards matters referred to in the Fifth Schedule which were likely to give rise to expenditure "after such year or other period being matters which are likely to arise either only once during the then unexpired term of the Lease or at intervals of more than one year". Clause 15.2 stated:

> "The Management Company shall in any year in which any expenditure is incurred in respect of any of the items referred to in sub-clause 15.1 hereof apply in or towards the cost of such items such part of the reserve fund as the Management Company's auditors shall certify to be appropriate to such items of work and the balance (if any) of the costs thereof shall be deemed to be a management expense for such year. Any unapplied part of the reserve fund shall be carried forward as a reserve for future years".

The Issues

Schedule of Service Charge Items Disputed

17. The Applicants produced a Schedule of Issues that they sought a determination for. This Schedule listed 88 disputed items, which were numbered 1 to 51. The total of 88 disputed items was reached as some items had multiple matters, for example item 51 included 51 a to k. The time period covered by the Schedule was from year end 2015 to year end 2024.

Service Charges for Period Year End 2015 to 2020

18. The Tribunal considered the period year end 2015 to year end 2020. In the Schedule of Issues in dispute, the Applicants had listed 6 items for 2015, 10 items for 2016, 5 items for 2017, 4 items for 2018, 5 items for 2019 and 5 items in dispute for 2020 (pages 34 to 44 of the bundle).

19. It was agreed by all parties that the Applicants had been the leaseholders of Flat E since 6 December 2019. Further, it was agreed that as part of the Applicants' purchase of Flat E, all service charges had been paid up to the end of 31 August 2020 by the estate of the Applicants' predecessor in title. Therefore, the first service charge demand sent to the Applicants which they were responsible for paying was from 1 September 2020.

20. The Tribunal acknowledged that whilst it was possible for a leaseholder to apply to the Tribunal for a determination of service charges paid by a predecessor in title, on the facts of this case, the Tribunal found that to consider service charge years prior to the Applicants becoming leaseholders of the Property would not be a proportionate use of the Tribunal's time and resource. The Tribunal had been told that the service charge was paid in full by the Applicants' predecessor in title as part of the sale. Therefore, in the event that the Tribunal did find any overpayment, this would be credited to the Applicant's predecessor in title not the Applicants. There was no evidence before the Tribunal that there was any dispute raised as to the payability and reasonableness of these service charges and further and in any event, the Applicants' predecessors in title were not party to these proceedings and no application had been made for them to be joined.

21. In reaching this decision, the Tribunal considered rule 3 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 and in particular rule 2(a) which states that dealing with cases fairly and justly includes:

> "dealing with the case in ways which are proportionate to the importance of the case, the complexity of the issues, the anticipated costs and the resources of the parties and of the Tribunal".

22. The Tribunal therefore found that it would not be proportionate for it to spend time considering charges which were not paid by the Applicants, related to a time before the Applicants had any connection to the Property or Anchor Court, and further, the charges were not disputed by the predecessor in title who made the payment.

23. Further, the Tribunal accepted the submission made by Counsel for the Respondent that section 27A(4) of the Landlord and Tenant Act provides that no application may be made in respect of a matter which has been agreed or admitted by the tenant. The Respondent asserted, and the Tribunal accepted, that the Applicants' predecessor in title agreed or admitted liability for all service charges falling due before 1 September 2020 and made payment without reservation or qualification or any other challenge or protest. The Tribunal therefore found that, in any event, it did not have jurisdiction to consider the service charges for the years preceding 1 September 2020.

24. The Tribunal therefore determined that it would not consider the service charges prior to 1 September 2020. The Tribunal would consider the service charge disputed by the Applicants for the year ending 2021 through to 2024 as set out in the Applicants' Schedule of Issues (pages 44 to 59 of the bundle). The Respondent confirmed that the service charge year ending 2021 at page 44 of the bundle (item 33 onwards) was the correct place for the Tribunal to start. This was because, prior to

2022, the service charge year was calculated as being from September to August rather than January to December. The Tribunal considers this point later in this decision, but what this did mean in terms of the Schedule was that the correct place for the Tribunal to start was from item 33 forward as this related to the charges that the Applicants disputed from 1 September 2020.

Matters within the Schedule that the Applicants no longer wished to pursue

25. At the hearing, the Tribunal invited the Applicants to review the Schedule of Issues in dispute. This was particularly necessary as some items the Applicants had included in the Schedule did not specify what was in dispute and/or state the cost of the disputed item.

26. The Applicants confirmed that the following items were no longer in dispute and confirmed that the Tribunal was not asked to make a determination on these matters:

Items	**Reason Determination No Longer Sought by Applicant**
34a and 34b 36 39a and 39b 47(a) to (i) 48 (c) and (d)	No item or amount specified – Applicants confirmed no determination sought by Tribunal.
37 42 48, 48(a) and (b)	Applicant confirmed that no determination was required by Tribunal.
2024 (items not numbered)	Applicant confirmed that only Reserve fund contribution as stated at page 58 required determination. (The item was not numbered but the entry began at page 57, with the

	matter requiring determination set out at page 58).

Matters in Dispute

27. The Applicants confirmed that they were seeking a determination from the Tribunal on the following matters:

Items	Year Ending	Cost Disputed as set out in the Schedule by the Applicants	Schedule Reference
Accountancy Fees	2021 2022 2023 2024	£1,020 £450 £300 £56.25	Item 33 Item 51(h) Item 51(i) Item 51(k)
Managing Agent Fees	2021 2022 2023	£1,253.60 £2,140.78 £1,941.06	Item 34 Item 39 Item 47 and 47 (j)
Gardening Cost	2021 2022 2023	£333.52 £2,800.41 £2,931.36	Item 35 Item 40 Item 49
Legal Costs	2022 2023	£17,543.40 £7,432.80 and £720	Item 38 Item 46 and 50

Reserve Fund Contribution	2024	From £2,000 to £6,149	Item not numbered but page 58 of bundle.
Drain (Invoice at page 650 of bundle)	2022	£297	Item 41
Electricity to Summer-house	2022	£178.85	Item 43
Removal of items belonging to Applicants	2022	£300	Item 44
Removal of Summer-house	2022	£282	Item 45

28. The Applicant also raised issues with the payability of the service charges because of non-compliance with the Lease. The Tribunal considered this matter first before moving on to consider the disputed items as set out in the table above.

29. The Tribunal heard evidence, considered the written evidence and submissions made by both parties and determined the matters in dispute.

Compliance with Lease

30. Within their statement of case, the Applicants raised concerns regarding the Respondent's compliance with the terms of the Lease when making service charge demands (pages 60 to 67 of the bundle). The Applicants submitted that the service charge demands were not correctly certified or audited in compliance with the Lease.

31. Counsel for the Respondent stated that the certification required in clause 3.9 was mere machinery for the ascertainment of the interim amount and was not a condition precedent to the payability of the interim account. Counsel submitted that there was no formal certification process set out in the Lease; all that was necessary was that the Respondent confirm the amount for which it considered the Applicants would be liable, which it had done each year by reference to the budget.

32. As to the balancing charges, Counsel for the Respondent submitted that because the Respondent had not demanded any balancing charges, the excess payments were retained by the Respondent on account of future payments as permitted under clause 3.11.

33. It was therefore the Respondent's position that it had complied with all accounting obligations as set out at clause 19 of the Fifth Schedule and the production of externally certified accounts was not required.

Tribunal Decision – Compliance with the Lease

34. The Applicants submitted that the Respondent had failed to certify and/or failed to audit the service charge accounts in accordance with the Lease.

35. The Tribunal has considered clause 3.9 and 3.11 of the Lease. Clause 3.9 provided that the Applicants were liable to pay the service charge on account and in advance by two instalments on 1 January and 1 July. Specifically the Lease provided that the amount to be paid on the 1 January and 1 July was:

> "one half of such amount as the Management Company shall certify to be the estimated amount of the maintenance charges attributable to the demised premises for such maintenance year (such certificate to be final and binding on the Lessee)"

36. Clause 3.11 provided a mechanism for a balancing exercise namely:

> "within twenty eight days after the accounts of the Management Company for the maintenance year have been audited and a certificate signed by the auditors stating the amount of the maintenance charges attributable to the demised premises for that year (or a certified copy thereof) has been served on the Lessee (such certificate to be final and binding on the Lessee) to pay to the Management Company the amount (if any) by which the maintenance charges payable in respect of the demised premises for such year exceed the amount paid on account in respect of such year PROVIDED THAT if the amount of such maintenance charges payable for the year in respect of the demised premises is less than the amount paid in advance on account thereof the excess shall at the discretion of the Management Company either be repaid to the Lessee or retained by the Management Company on account of payment due from the Lessee in future years…"

37. The Tribunal accepts the submissions made by Counsel for the Respondent that the certification required in clause 3.9 was the

machinery for ascertaining the interim amount and was not a condition precedent to the payability of the interim account.

38. However, the Tribunal does not accept the position of Counsel with regards to 3.11 that if there was no balancing charge the requirement for auditing and certification was not necessary. The Tribunal accepts the submissions of Counsel for the Respondent that in every year, the amount paid on account had been higher than the sums actually paid and so a balancing exercise was not required; the Tribunal does not accept that this meant that clause 3.11 was not to be followed. Clause 3.11 required the accounts to be audited and a certificate signed by the auditors and this was the position whether or not there was a balancing charge.

39. The Tribunal does not accept the position of the Applicants that the Lease required a full audit or externally certified accounts. The Tribunal finds that the Respondent complied with its accounting obligations under the Lease. Clause 19 of the Fifth Schedule required the Management Company to keep "proper books of account of all costs charges and expenses incurred by it in carrying out its obligations under this Schedule and maintain proper records of the reserve fund..". The Tribunal finds a full audit would have been disproportionate to the size of the Property so as to make it unworkable and disproportionate given that the Respondent was a non-profit company. Further, the Tribunal accepts the Respondent's position that a certificate signed by auditors was not a condition precedent to the payability of interim maintenance charges under clause 3.9.

40. The Tribunal therefore applies its findings to the facts of this case. By clause 3.9 the Applicants had covenanted to pay one half of the estimated service charge (as certified by the Respondent) on account and in advance on 1 January and 1 July. By clause 3.11 the Applicants had to pay any balance of their share of service charge upon audited and certified accounts being served.

41. The witness statements provided by the Respondent detailed the actions taken by the Respondent as follows:

42. Trudie Clayden, director of Richard Hawkins Chartered Surveyors & Property Managers, provided a written witness statement dated 17 January 2025. In this statement Trudi Clayden confirmed that Richard Hawkins managed the Property from February 2012 until August 2021, and that the accounting year ran from 1 September to 31 August each year.

43. The Tribunal notes that it was only the service charge year end August 2021 for which Richard Hawkins was involved that was relevant to the matter before this Tribunal. Trudie Clayden confirmed in her written statement that on 29 September 2020 the service charge demand for the

period 1 September 2020 to 31 August 2021 with supporting documents, including a summary of tenants' rights and obligations, was posted and emailed to the Applicants. A spreadsheet setting out the actual costs for year end 2020 and budget amount for 2021 was included. (A copy of this was at page 87 - 89 of the bundle). Trudi Clayden in her written statement dated 17 January 2025 stated that on 31 August 2021 (page 91 of the bundle) the service charge invoice for the period 1 September 2021 to 31 August 2022, with supporting documents (a summary of the tenants' rights and obligations (page 94) and the budget amount for 2021/22 was posted to the Applicants.

44. Corrinne Sorensen of Sapphire Property Management provided a written witness statement dated 17 January 2025 (10.4.2 of the bundle) confirming that Sapphire Property Management were managing agents for the Respondent between 14 September 2021 and 31 January 2023. Corrinne Sorensen stated that on 5 August 2022 Sapphire Property Management served the Applicants an "application for payment" for the service charge for the period 1 September 2022 to 31 August 2023 (£1,737.51) along with the demand for the previous year to 31 August 2022 (£1,359.27). Corrinne Sorensen also confirmed that a summary of rights and obligations was served with the service charge demand (page 94 of the bundle).

45. Sarah-Louise Coles, director of Flaxfields Limited, made a written witness statement dated 17 January 2025 that confirmed that Flaxfields were the managing agent for the Respondent between 31 January 2023 and 1 February 2024. Sarah-Louise Coles confirmed that on 19 May 2023 Flaxfields served the Applicants by post an "application for payment" of service charges for the period 1 July 2023 to 31 December 2023 (£975.99 plus a reserve fund contribution of £166.67) along with a summary of rights and obligations (page 96 of the bundle). Sarah-Louise Coles confirmed that accounts were not served on the Applicants because the accounts for the year end August 2022 were still outstanding. The previous agent had appointed GMS accountants to prepare the accounts, but Sarah-Louise Coles confirmed that in an email to her dated 29 March 2023, GMS confirmed that they were unable to prepare the accounts.

46. Sarah-Louise Coles' written statement confirmed that Michael White, Chartered Accountants, were appointed but then explained that they were unable to act because Mr Miah had telephoned Michael White to say that if he did work for the Respondent Mr Miah would damage his reputation. Michael White declined to act and therefore Morton Baxter were appointed but told Flaxfields that because of a heavy workload, there would be a delay in the accounts being prepared. Sarah-Louise Coles confirmed that the accounts were finalised after Flaxfields were no longer acting for the Respondent.

47. Sarah-Louise Cole was not at the Tribunal hearing so her evidence could not be cross-examined by the Applicants and therefore the Tribunal has

not considered the allegation that Mr Miah had telephoned Michael White. The Tribunal notes only that the Respondents provided an explanation for why the accounts were delayed.

48. Samantha Lapworth, director of East Group Limited, provided a written statement dated 1 January 2025 and also gave oral evidence to the Tribunal. She confirmed that after reviewing the Lease and documentation she formed the view that Flaxfields had validly demanded service charges in accordance with the Respondent's statutory obligations. By letter dated 22 December 2023 she sent the service charge demand with a budget certificate for the period 1 January 2024 to 31 December 2024 and summary of rights and obligations by post (page 97 and 98 of the bundle). (Service charge for period 1 Jan 2024 to 30 June 2024 £987.16 and £512.43). On 29 December 2023 the service charge demand was also sent by email. Further, on 9 May 2024 Samantha Lapworth confirmed that she served a demand for the service charge (£987.16 service charge for the period 1 July 2024 to 31 December 2034 and £512.43 reserve fund for the same period – page 102 and 103 of the bundle) along with a summary of rights and obligations on the Applicants by post.

49. The Tribunal accepts the evidence of the Respondent that there have been several changes of agents, and this has inevitably led to delays with the administration of the service charge accounts. Therefore, on the basis of the evidence before this Tribunal, the Tribunal is satisfied that the Respondent complied with the Lease. There was delay with the accounts of the ACMIL as set out in the chronology above; however, the Tribunal finds that there is explanation for this, noting that the accounts for year end 2022 were dated 13 February 2024

50. The Tribunal is therefore satisfied that the service charge demands have been properly levied. Further the Tribunal accepts the submission of the Respondent that time was not of the essence in the preparation by the landlord of service charge accounts for any particular accounting period. However, going forward, it is imperative that parties work together so that issues do not remain unresolved for periods of time.

Service Charge Year End

51. Clause 3.9 of the Lease required the lessee to pay the Management Company in advance on the 1st day of January and the 1st day of July in each year. However, the Respondents told the Tribunal that the service charge years prior to 2022 were operating September to August rather than January to December. This was corrected in 2022 and was shown at page 626 of the bundle through a copy of the service charge statement of account for the period 1 September 2021 to 31 December 2022, which brought the service charge year in line with the Lease. This included the letter of representation from the managing agent to the accountant which was certified by the managing agent and was dated 13 February

2024. At page 628 was the Independent Accountants' Report which was signed by Morton Baxter Associates Ltd and dated 13 February 2024.

52. The Tribunal, being satisfied that the Lease has been complied with in sufficient manner to allow service charge demands to have been made now considers the individual service charge items that the Applicants dispute:

Accountancy Fee – Service Charge Year End 2021, 2022, 2023 and 2024

53. The Applicants set out their issues in dispute at item numbers 33, 51(h), (i) and (k) of the Schedule as follows:

Item	Cost Dispute	Flat E Dispute	Tenant's Comment	Respondent's Comment
Year End 2021: 33	1020	127.50	Concerns over Accountant Fees and Misuse of Funds for 2020/21: Accounting Fees and Director's Loan: The accountant fees were primarily utilized to address challenges related to a director's loan to Mr and Mrs Boyle. This raises concerns regarding the appropriateness of such expenditures. Accounting Practices: Guymer	Mr Miah's information is incorrect and an explanation regarding the loan by Mr and Mrs Boyle to Anchor Court Management and its partial repayment has been presented to him on several occasions. No further explanation will be given

			King had prepared the accounts in October 2020. However, revised accounts were sent by Alex Boyle on 28 April 2021, indicating potential discrepancies or issues requiring adjustments. Misuse of Service Charge Funds: The use of service charge funds to manage and rectify issues specifically associated with a director's loan represents a clear misuse of these funds. This is especially problematic as we lack compliant Residential Service Charge Accounts as required by Tech 3/11, further questioning the transparency and legality of these financial practices.	
Year End 2022: 51(h)	450	56.25	GMS	Already sent to Mr Miah

Year End 2023 51(i)	300	37.50	GMS	Not ready yet still in preparation
Year End 2024 51(k)	450	56.25	Morton Baxter Associates RMC financial statement invoice MB11060 Missing invoice for SSOA 2022	We have just reached the YE for 2024. Morton Baxter will not be used for the ACMIL accounts. Directors unclear what missing invoice SSOA 2022 refers to.

54. The Respondent did not recognise the figures that the Applicants had entered into the Schedule. At page 520 was shown actual expenditure for September 2020 to August 2021 and accountancy fee was stated as £1,020. The service charge statement of accounts for the period 1 September 2021 to 31 December 2022 was at pages 830 to 838 of the bundle. This recorded that the year end 31 August 2021 actual was £990 and the amount for 1 September 2021 to 31 December 2022 was £553.

55. At page 99 of the bundle was the budget certificate for the period 1 January 2024 to 31 December 2024 and the estimated accountancy charge (Estate Charge) was stated as £1,500. The charge was against the estate service charges with no provision made for service charges – flats. However, at page 804 of the bundle was the budget certificate prepared by Flaxfields Ltd for the same period. This time the budget amount was £1,000 for schedule 2 costs and £1,000 for schedule 1 costs giving a total budgeted amount of £2,000.

56. Regarding the Directors' loan that the Applicants referenced, the Respondent told the Tribunal that when ACMIL was initially incorporated the proprietors of Flat B and D (Alexander Ranald Boyle and Maria Emma Boyle) and Flats A,C and E (David Hugh Fleming-Brown) paid the full purchase price and the costs of incorporation of the ACMIL. As the then proprietor of Flat F did not participate in the enfranchisement, the proprietors of Flat B and D and A,C and E loaned ACMIL money to cover the cost of the enfranchisement, and this included the proportion of the purchase price that would otherwise have

been payable by the proprietor of Flat F. The Respondent confirmed that this amounted to a total of approximately £50,000 (witness statement Alexander Boyle section 10.2.1 of the bundle).

57. In or around 2021, Flat F was subject to a Lease extension and the premium paid for this Lease extension was paid to Alexander Ranald Boyle and Maria Emma Boyle and the estate of David Hugh Fleming-Brown by way of partial repayment of the enfranchisement loan, with the remaining amount payable under the loan being waived by Alexander Ranald Boyle and Maria Emma Boyle and the estate of David Hugh Fleming-Brown. The Respondents stated that this explanation had been provided to the Applicants on several occasions previously and therefore did not understand why it still formed part of the Applicants' issues in dispute.

The Tribunal's Decision - Accountancy Fee – Service Charge Year End 2021, 2022, 2023 and 2024

58. In their Schedule for 2021 (set out in full above), that Applicants made two submissions regarding the Directors' loan. The first reference was to submit that the accountant fees were "primarily utilized to address challenges related to a director's loan" and the second was to submit that the service charge funds were used to "manage and rectify issues specifically associated with a director's loan" and that this represented a "clear misuse of these funds".

59. The Applicants did not provide the Tribunal with any evidence to substantiate these allegations, whereas on the other hand, the Respondent provided a clear explanation of the events surrounding the Directors' loan. The Tribunal does not consider this matter further as this Tribunal's jurisdiction is to determine the payability and reasonableness of accountancy fees.

60. There was no dispute between the parties that accountancy fees were payable under the Lease. Turning to the amount charged, the Applicants submitted in the Schedule that the amount for accountancy fees for year end 2021 was £1,020 and this was confirmed as the amount of actual expenditure for the year end to 31 August 2021. However, at page 834, the service charge accounts showed the actual amount as £990 for the year end August 2021.

61. Turning to the amounts for the year end 2022, 2023 and 2024 as set out above, the Applicants have not presented the Tribunal with any alternative quotes and have not stated why the amounts charged were not reasonable. The service charge accounts (page 834) showed the actual amount for accountancy fees for the period 1 September 2021 to 31 December 2022 as £553. The Tribunal finds that this is a reasonable amount that would be charged for accountancy work completed for a

property such as this Property and finds that this amount was payable and reasonable.

62. The accounts have not been finalised in relation to year 1 January 2024 to 31 December 2024 and so the Tribunal can only consider the budgeted amounts. The Tribunal finds that these amounts were reasonable charges for accountancy. At page 99 of the bundle was the budget certificate for the period 1 January 2024 to 31 December 2024 and the estimated accountancy charge (Estate Charge) was stated as £1,500. At page 804 of the bundle was the budget certificate prepared by Flaxfields Ltd for the same period. This time the budget amount was £1,000 for schedule 2 costs and £1,000 for schedule 1 costs giving a total budgeted amount of £2,000. The Tribunal was told that Eastgate were the managing agent for the relevant period and that was therefore the budget certificate that the Tribunal considered. The Applicants did not provide the Tribunal with an amount that they found reasonable or provide any alternative quotes, or indeed provide any explanation as to why the amount was not reasonable. The Tribunal, using its expert knowledge, finds that the budget amount for accountancy fee was reasonable.

Managing Agent Fee – Service Charge Year End 2021, 2022 and 2023

63. The Respondent confirmed that the following managing agents had managed the Property:

Managing Agent	**Dates Managed Property**
Richard Hawkins Chartered Surveyors & Property Managers	Ended August 2021
Sapphire Property Management	September 2021 to January 2023
Flaxfields Secretarial	February 2023 to November 2023
East Block Group	February 2024 to Present

64. The Applicants set out their issues in dispute at item numbers 34, 39, 47 and 47(j) of the Schedule as follows:

Year End 2021

Item	**Cost Dispute**	**Flat E Dispute**	**Tenant's Comment**	**Respondent's Comment**

34	1253.69	156.71	Managing Agent Fees and Governance Concerns for 2021: Unjustified Agent Fees: Despite ongoing issues, the managing agent fees continue to be unjustified due to a lack of certified charges, inaccuracies in the collection of service charges, and non-compliance with Tech 3/11 for service charge accounts. Governance and Communication issues: Requests for EGM: Anchor Court Management (Ipswich) Limited (board) was advised to request an Extraordinary General Meeting (EGM) to address pressing concerns. Delayed Share Transfer: The Share transfer associated with the purchase of Flat E in December 2019 was still pending as of 21 September 2020. Resolution of illicit activities: on 13 January 2021, Director Katharine	Budgets do not require certification. Only service charge accounts do. There are numerous vague and unparticularised points here which had been addressed in the Statement of Case and elsewhere in this Schedule. Share transfer issue resolved in 2022. Completely irrelevant to this FTT process in

			Lawrence emailed Richard Hawkins to address unresolved matters related to illicit activities reports on the Property. [The Applicant sets out "Summer-house Disputes" at this point in the schedule, however the Tribunal deals with this below] Operational Concerns During Covid: Safety and Security: There were concerns about the safety protocols during COVID, as strangers were frequently entering and exiting communal spaces, potentially violating restrictions. Financial Oversight: Directors load: Issues concerning a director's loan need resolution and transparency. Audit Request: There was a formal request for an audit during the AGM 2021 by directors, members, and Leaseholders to ensure proper	assessing the reasonableness and relevance of the service charge. Yes an oversight did occur and was later rectified when the accounts were restated in 2021. Mr Miah was invited by Richard Hawkins ltd to visit their offices in order to inspect the invoices, receipts etc relating to the service charges. He failed to

			financial management. Administrative Accuracy: Incorrect AGM minutes: The minutes from the AGM in May 2021 were reported to be incorrect, raising concerns about the accuracy of the official records.	take advantage of this offer. The minutes were recorded to the best ability of the minute taker.

Tribunal Decision – Managing Agent Fees 2021

65. The Tribunal's jurisdiction extends to determining the payability and reasonableness of the managing agent fee that the Applicants were required to pay by way of service charge. There was no dispute that managing agents' fees were payable under the Lease. The question for the Tribunal is the reasonableness of the amount charged for the managing agent fees.

66. With regards to the submissions made by the Applicants about the directors' loan, the Tribunal has already set out above that this is not a matter for this Tribunal. Turning to the reasonableness of the managing agent fees, the Applicants have not provided the Tribunal with evidence to justify their submission that the managing agents fees were not payable or reasonable. Instead, the Applicants stated that "the dispute regarding a directors' loan continues without resolution, further complicating financial governance". The Tribunal finds that the Respondent has on several occasions provided an explanation to the Applicants as to the loan arrangements. Further, the Tribunal does not accept the Applicants' submission that this was relevant as to whether or not the fee charged by a managing agent was reasonable.

67. The Tribunal has considered the reasonableness of the managing agent fees. At pages 600 to 609 of the bundle was produced a document which set out the Anchor Court Expenditure for 2020/21. At page 601 the managing agent's fees were shown as £1,200 and it was recorded that this service charge amount was divided equally between the 9 units. Further, at page 834 of the bundle, the service charge accounts were produced and this recorded the year end 31 August 2021 actual spend for fixed management fees as £1,200. The actual amount spent on fixed management fees for the period 1 September 2021 to 31 December 2022 was stated as £2,459 (page 834). As stated above, it was during this period that the year end was corrected to be December of each year.

68. In the Schedule of Issues produced by the Applicants (page 44 of the bundle), the Applicants recorded their contribution as £156.71. The Applicants did not present evidence to the Tribunal to explain this figure and the Respondent confirmed that it was a figure that it did not recognise. The Tribunal has therefore made its determination on the managing agent fee as demanded by the Respondent and finds that this was reasonable.

69. For completeness, the Tribunal considers the allegations that the Applicants made in their Schedule of Issues that the management fee was not reasonable because the managing agent did not take what the Applicants believed was appropriate action when the Applicants complained about what they described as "illicit activities". The Tribunal does not accept the Applicants' position. The Tribunal was not presented with evidence from the Applicants to show on a balance of probabilities that the managing agent's work fell below the standard expected of a managing agent such that the fee charged was not reasonable. Instead, the Tribunal had before it the witness statement of Trudie Clayden, director of Richard Hawkins, that confirmed that the Applicant had made a complaint about their conduct to the Property Ombudsman. At page 1042 of the bundle was the Adjudicator's outcome which confirmed that the case was closed and no action taken.

70. The Applicants also raised issues around a lack of certified charges and inaccuracies in the collection of service charges. The Tribunal accepts the evidence of the Respondent that Mr Miah was invited to the offices of the managing agent to look at service charge information but this visit did not take place. Further, the Tribunal finds that the Applicants have not evidenced their claim that the managing agent did not comply with Tech 3/11 and why this was a reason to reduce the management fee. The standards were not produced in evidence within the bundle and, in any event, the Lease did not require adherence to these standards and these standards were guidance only.

71. Further, the Applicants stated that there was a delay with them receiving a share transfer certificate and because of this, the managing agent's fee should be reduced. The Tribunal does not accept the position of the Applicants. The Tribunal's jurisdiction is to look at the reasonableness of the managing agent's fee. The Respondents told the Tribunal that the share transfer was resolved in 2022. The Tribunal therefore does not find that the Applicants have satisfied the Tribunal that the amount charged for managing agent fee was unreasonable.

72. Additionally, the Applicants raised issues relating to the summer-house under this head as well as at several points of the Schedule. So far as they were raised by the Applicant as a submission that the management fee was not reasonable, the Applicants have not provided the Tribunal with a reason why the management fee of the agent should be reduced. For completeness, the Tribunal has dealt with the issue relating to the

summer-house as a separate heading within this decision as it was raised as a specific item of dispute by the Applicants (particularly at item 43 of the Schedule – below).

73. The Applicants further stated that the management fee was not reasonable because there was a request for an Emergency General Meeting (EGM) but this meeting was not held. The governance issues surrounding this are not within this Tribunal's jurisdiction.

74. Regarding the Applicants' allegation that the minutes were inaccurate, the Tribunal finds that determining whether the minutes were accurate is beyond the scope of this Tribunal.

75. The Applicants stated that during the COVID pandemic, there were strangers entering the Property and sought to show that the management agent's fee was not reasonable because the managing agent did not resolve this issue. The Tribunal does not accept this. The Applicants have not produced evidence to support their allegations and have also not shown the basis for claiming that the managing agent did not fulfil their obligations.

76. The Tribunal finds that the management fee charged for the Property for the year end 2021 was reasonable for the reasons set out above.

Management Fee - Year End 2022

Item	**Cost Dispute**	**Flat E Dispute**	**Tenant's Comment**	**Respondent's Comment**
39	2140.78	267.60	Managing Agent Fees and Governance Concerns for Recent Years: Unjustified Agent Fees: Persistently, the managing agent fees remain unjustified due to lack of certified charges, incorrect service charge collections, and failure to maintain service charge accounts compliant	Repeat of many points already addressed.

			with Tech 3/11 standards. Governance and Dispute Resolution: Share Transfer Delays: The share transfer for the purchase of Flat E, initiated in December 2019, was not completed until February 2022, highlighting significant administrative delays. Illicit Activities: concerns raised by Director Katherine Lawrence on 13 January 2021 regarding illicit activities remain unresolved, undermining trust in management's effectiveness. Summer-house Disputes: ongoing disputes over the use of the summer-house situated on communal grounds, including issues related to the electric charges and usage rights. This year misuse of funds to move electric supply to then remove summer-house using service charge funds.	 Administrative issue which was latterly resolved by Sapphire Properly Management. Historical issues which were resolved and are now of no consequence – pointltess. See item 34

			Financial Disputes and Transparency: Directors Loan Dispute: The dispute regarding a directors' loan continues without resolution, further complicating financial governance. Lack of Transparency: Repeated requests for transparency and detailed information from the previous agent have not been adequately addressed. Meeting and Communication issues: EGM and AGM Requests: Requests for formal meetings such as EGMs and AGMs to address these ongoing issues have either been denied or inadequately facilitated, hindering effective communication and resolution.	Mr Miah's information is incorrect and an explanation regarding the loan by Mr and Mrs Boyle to Anchor Court Management and its partial repayment has been represented to him on several occasions. No further explanation will be given. All the agents have already made every effort to provide answers to Mr Miah's requests. Mr Miah's several attempts to call and EGM were invalid or incorrectly served. ACMIL called an EGM which was held on 27 January 2023 at which Baer Gotelee were in attendance. Six resolutions were considered and voted on. Mr Miah was given some limited time to raise points despite

			Selective Enforcement Concerns: Removal of Personal Items: Personal items belonging to the residents of Flat E were removed from communal areas such as the cellar and garden, while items from other flats remained untouched, raising concerns about fairness and selective enforcement of rules.	there being no AOB on the agenda. He did so. Removal of items – Mr Miah has repeatedly been told he may not leave items in communal spaces. He continues to ignore all instructions to remove items which are in breach of fire safety regulations and the Lease.

Tribunal Decision – Managing Agent Fees 2022

77. As set out for the year end 2021, the Tribunal's jurisdiction extends to the reasonableness of the managing agent's fee as a service charge. Further, as for 2021, the amount given by the Applicants in the schedule was not recognised by the Respondent. At page 834 of the bundle the service charge accounts were produced and the year end 31 August 2021 actual spend for fixed management fees was recorded as £1,200. The actual amount of spend on fixed management fees for the period 1 September 2021 to 31 December 2022 was stated as £2,459 (page 834).

78. With regards to the category the Applicants caledl "summer-house dispute" "illicit activities", "director's loan dispute" and "share transfer delay", these have been dealt with in the Tribunal's decision for the service charge year end 2021 above. For completeness, the Tribunal does not find, for the reasons set out above, that the management fee should be reduced because of the dispute over the summer-house "directors' loan" or the Applicants' allegations of "illicit activities". Further, the Tribunal does not find for the reasons set out above, that the management fee should be reduced because of the dispute the Applicants raised over them not receiving their share certificate.

79. The Tribunal notes that the reference made to Tech 3/11 standards was not relevant to the Tribunal's jurisdiction. The standards were not produced in evidence within the bundle and, in any event, the Lease did not require adherence to these standards and these standards were for guidance only.

80. The Tribunal accepts the evidence of the Respondent that the managing agent tried to answer questions raised by the Applicants. The Tribunal does not accept the Applicants' position that the managing agent's fee was unreasonable on this basis.

81. Further, the Tribunal does not find that the Applicants have shown on a balance of probabilities why the managing agent's fee was not reasonable because of the Applicants' allegations in relation to the holding of EGMs and AGMs. The Tribunal's jurisdiction does not extend to consider the arrangements for AGMs and EGMs. The Tribunal has not been presented with evidence by the Applicants sufficient to show, on a balance of probabilities, that the managing agents fee was not justified.

82. Finally, the Tribunal has made findings below on the actions taken to remove personal items belonging to the Applicants. The Tribunal sets out its findings in full below and does not find that the managing agent's fee was unreasonable on this basis. The Tribunal finds that the items were removed for fire safety reasons and the action taken by the Respondents and their managing agent was reasonable. With regards to the Applicants' assertion that enforcement action was only taken against the Applicants, the Tribunal was not presented with evidence to show, on a balance of probabilities, that this was the case. In any event, the Tribunal finds that there is no reason to determine that the managing agent's fee was unreasonable.

Year End 2023

Item	**Cost Dispute**	**Flat E Dispute**	**Tenant's Comment**	**Respondent's Comment**
47	1,941.06	242.63	Summary of Concerns Regarding Flaxfields Limited's Management: Under Flaxfields Limited, Anchor Court Management (Ipswich) Limited (ACMIL) has faced significant issues in financial transparency, inflated costs and unresolved disputes:	Repeated comments from multiple correspondences via 4 managing agents who have consistently attempted to resolve all his queries in details. All of which he ignore.

			Inflated Costs: Schedule 2 costs rose from £2,829 under Sapphire Property Management to £8,093 under Flaxfields, with no clear jurisdiction. Historical Disputes: Flaxfields, fully aware of historical disputes upon their appointments (as noted in their 13 February 2024 correspondence), has not resolved these matters. Lack of Transparency: Payments to Flaxfields Limited lack clarity, and despite claims that all information is in accordance with the Lease, Leaseholders remain concerned about compliance and incomplete records. Transition from Sapphire: 9 July 2024 Sapphire Property Management confirmed they did not prepare the SSOA 2022 accounts, and all information was handed over to Flaxfields. Discrepancies in	

			representations between the two parties add further uncertainty. Flaxfields Limited's management has mirrored previous issues of inflated costs and poor transparency, leading to a lack of trust. Clear accountability and adherence to the Lease.	
47(j)			Flaxfields Service Charge Contribution Changes: Flaxfields Limited altered the service charge contributions, raising questions about whether the Barker Gotelee Deed of Variation (DOV) from June 2017 was considered during this process. It is unclear which methodology is correct and whether the revised charges have been certified, including who is responsible for this certification. Transparency and adherence to the Lease terms are	This is a statement. Flaxfields were responsible for brining ACMIL fully in line with the Lease. No DOV was implemented. What is the query here?

			critical to ensuring the fairness and legality of these contributions.	

83. The Applicants stated that the management fee was £1941.06 with the Applicants' contribution being £242.63. These were not figures that the Respondent recognised.

84. At item 47 the Applicants set out a number of submissions; however, the Tribunal's jurisdiction is to consider whether the management fee charged by Flaxfields was reasonable. The Applicants stated that schedule 2 costs had increased but did not provide the Tribunal with evidence for their claim that the management fee charged by Flaxfields was not reasonable. No detail was provided as to why historic disputes are relevant to this issue. Further the Tribunal accepts the Respondent's evidence that it has sought to answer queries raised by the Applicants.

85. The Tribunal has considered the points made by the Applicants at 47(j) in the table above; however the Tribunal's jurisdiction is to determine the payability and reasonableness of the managing agent's fee. The Applicant has not shown, on a balance of probabilities, why the managing agent fee was not payable and reasonable. The Tribunal accepts the Respondent's evidence that Flaxfields were responsible for bringing the Respondent fully in line with the Lease. The Applicants have not produced evidence to show why the work that Flaxfields Limited completed meant that their management fee was not reasonable.

86. The Tribunal therefore finds that the management fee was payable under the Lease and that the amount charged was reasonable.

Tribunal Decision - Managing Agent Fee – Service Charge Year End 2021, 2022 and 2023

87. For the year end 2021, the managing agent fee for the year end August 2021 was £1,200 (page 602 and 834 of the bundle), for year end December 2022 the managing agent fee was £2,459 (page 629 and 834 of the bundle) and for year end December 2023 was £1,680 (page 718).

Gardening Costs – Service Charge Year End 2021, 2022, and 2023

88. The Applicants set out their issues in dispute at item numbers 35, 40, and 49 of the Schedule as follows:

Year End 2021

Item	Cost Dispute	Flat E Dispute	Tenant's Comment	Respondent's Comment
35	2668.19	333.52	Concerns Over Gardening Costs for 2021: Continued Long-term Contract: The gardening services under a long-term contract with First impressions continue, raising questions about the value and effectiveness of the service. Excessive Costs with Greenthumb: Previously, costs associated with Greenthumb were found to be excessive, which led to the discontinuation of their services. Lack of Transparency: There is a lack of clarify regarding what specific services are provided per visit and the annual schedule of activities, which makes it difficult for Leaseholders to assess the value and	This contract is a verbal agreement for an ad hoc service as required with a self employed local gardener. To reduce gardening costs it was requested by Mr Miah and agreed that other able residents would take on unskilled tasks in the garden. Mr Miah offered to draw up a rota, which was not forthcoming. When one was created by the directors, it has to date been ignored. Flat E has barely contributed to the mowing, raking, weeding and watering of the garden. The directors have taken on the burden of this upkeep.

			necessity of the work performed. Significant Cost Reduction: notably, the fees for gardening have dropped considerably due to reduced efforts on the flower bed maintenance. This reduction demonstrates the potential for cost savings that align more closely with the actual needs of the property.	
Year End 2022 40	2800.41	350.05	Gardening fee again a long-term contract with First Impressions. We don't know what he does per visit per year. Even though the fees have dropped considerable	The gardener attends on an ad hoc basis and carries out whatever skilled work is necessary.
Year End 2023 49	2931.36	366.42	Concerns Regarding Gardening Fees and Misuse of Services: The gardening services remain under a long-term contract, yet there is no clear information on the	Previously commented upon above...

			tasks performed during each visit or throughout the year. Although fees have dropped considerably, concerns persist about how the service is utilized. For example, the gardener was instructed to increase a flower bed outside Flat F's rear window after Flat F was told to remove a decking seating area dues to complaints. Meanwhile other residents were allowed to keep their seating, suggesting selective enforcement. Additionally, board members were observed gardening near Flat F's window, raising concerns about using another contractor to manipulate outcomes and demonstrate an abuse of power. Service charges have been used to fund these actions, which appear to be unreasonable and targeted rather than benefitting all residents equally.	Please provide evidence of selective enforcement. Complaints from Mr Miah appear to be directed towards ACMIL Directors only. Directors funded plants out of their own pockets and have done so on numerous occasions over the hears in order to avoid ACMIL having to foot costs. They have also carried out the planting themselves to keep costs down as well as engaging in many other takes in the garden. Mr Miah's comments are incorrectly assumed and add credence to his vendetta against ACMIL directors.

89. At page 1090 of the bundle, the Respondent produced an email confirming that the gardener had come to the Property twice a month

and he would additionally take over the care of the lawn which included scarifying the lawn when needed and the application of weed killer and lawn feed.

90. The Applicants told the Tribunal that they believed that their side of Anchor Court was not cared for as well as other areas. Marie Boyle, on behalf of the Respondent, gave oral evidence to the Tribunal that the garden had been adapted so that it was low maintenance as far as possible.

The Tribunal's Decision - Gardening Costs – Service Charge Year End 2021, 2022, and 2023

91. It was not disputed that there were extensive grounds at the Property which amounted to approximately one acre of outside space and that this included a large area of lawn. Further the Respondent was required under paragraph 5 of the Fifth Schedule:

> "properly to cultivate and preserve in good order and condition the gardens and grounds of the Building and the Lessor's Land and in particular to maintain lop and top the trees ..."

92. At page 520 of the bundle, the actual amount for gardening to year end 31 August 2021 was stated as £2,515.25; however, the amount within the service charge accounts for year end 31 August 2021 was £2,351 (page 834 of the bundle). At page 629 of the bundle the service charge accounts for the period 1 September 2021 to 31 December 2022 stated that the gardening cost was £3,552. This figure was also set out in the service charge accounts for the same period (page 834 of the bundle). For the year end 31 December 2023 at page 716 the grounds maintenance costs were £3,030.36. However, a receipt for £99 was redacted at page 730, therefore the Tribunal accepts the amount stated by the Applicants, namely £2,931.36. The Tribunal has based its decision on the actual amounts, namely £2,515.25 for year end August 2021, £3,552 for year end December 2022, and £2,931.36 for year end December 2023.

93. The Tribunal accepts the evidence of the Respondent that the Property has approximately one acre of grounds which includes hedging, tress, fruit trees, large lawned areas, a large herbaceous boarder and shrub beds.

94. The Tribunal accepts the Respondent's evidence that First Impressions charged an hourly rate of £15 in 2021 and that this increased to £16 per hour. The Tribunal finds this to be a reasonable rate.

95. The Tribunal does not accept the Applicants' submission that there was a long-term contract. The Tribunal accepts the evidence of the

Respondent, and in particular Marie Boyle, who told the Tribunal that the arrangement was on an ad hoc "service as required" basis with a self-employed local gardener. The Tribunal finds as a matter of fact that this did not constitute a long-term agreement.

96. The charge for the service charge period 1 September 2020 to 31 August 2021 was stated at page 520 of the bundle as £2,515,35. The Applicants has not provided the Tribunal with any alternative quotations and their comments in the Schedule confirmed that the amount charged for gardening costs had reduced. Using its own expert knowledge of the cost for maintaining the grounds at properties of a similar kind to the Property, the Tribunal finds that the charge for this period was reasonable.

97. Regarding the charge for year end 2022, the Applicants submitted that they did not know what work the gardener completed when he attended the Property; however, the Applicant also acknowledged that the fees had dropped considerably. The Applicants have not provided detail to evidence their claim that this charge was unreasonable and further have not provided any alternative quotations to the Tribunal to support any assertion that the service charge was not reasonable.

98. At page 602 of the bundle the budget amount for the period 1 September 2021 to 31 August 2022 was £3,040

99. The submissions that the Applicants made regarding the 2023 charge did not address the issue that the Tribunal has jurisdiction to determine, namely whether the charge for gardening services was reasonable. Further, the Tribunal accepts the evidence of the Respondent that the gardener had a chain-saw licence and was a tree surgeon, and that level of expertise was required. Given the scale of the grounds and the work required, the Tribunal finds that the costs were reasonable.

100. At page 607 of the bundle was the budget amount for gardening costs for the period 1 September 2022 to 31 August 2023 and this was stated as £3,040.00. Again, the Applicants have not provided the Tribunal with any evidence to support their claim that this was not reasonable. The Tribunal is therefore satisfied that this amount was reasonable.

Legal Costs - Service Charge Year End 2022 and 2023

101. The Applicants set out their issues in dispute at item numbers 38, 46 and 50 of the Schedule as follows:

Item	**Cost Dispute**	**Flat E Dispute**	**Tenant's Comment**	**Respondent's Comment**

Year End 2022 38	17,543.40	£2,181.30	Concerns over Legal Advice and Governance for 2022: Unclear Legal Fees: We are unclear about the individual costs associated with the legal advice from Barker Gotelee, particularly as it relates to ongoing disputes between lessees and within company governance. Lack of Disclosure: The absence of detailed disclosure makes it difficult to assess whether decisions made by the board were impartial and without prejudice. Governance Issues and Meeting Refusals: Refused Meetings: Attempts by Leaseholders and members to hold a meeting to address various concerns – including illicit activities, directors' loans, and a vote of no confidence – were refused by the Board. This denial obstructs collaborative	These fees are a direct correlation to the Applicant's onslaught of queries and demands regarding governance, the Lease etc. All advice sought from Barker Gotelee was in the best interest of the company which the director represent.

			resolution and proper governance. Advice Against Formal Meetings: Advice provided to the board suggested not holding a formal meeting, raising questions about the transparency and intentions behind the board's actions, and whether they truly reflect the interest of Anchor Court Management (Ipswich) Limited. Legal Advice Concerns: Source and Nature of Legal Advice: On 16 August 2022, an email from Michael Porter indicated that the directors were seeking legal advice, which was not aimed at addressing Lease obligations but focused solely on company matters (7 October 2022). The choice to use Barker Gotelee again, despite previous concerns, has not been transparently justified. Misallocation of Funds: The advice reportedly focused directly on assisting the board rather than the company,	

			leading to concerns that maintenance reserve funds (Sch 1 or Sch 2) were misued for purposes that do not benefit all leaseholders/estate or comply with Lease obligations. S.19, s.21 and s.22 Landlord and Tenant Act 1985.	
Year End 2023 46	7432.80	1,238.80	Continued Legal Expenses and Governance Concerns at Anchor Court Management (Ipswich) Limited: Despite ongoing disputes, there's no record of the board reporting illicit activity to the police or convening a formal meeting to address these issues as mandated by the Lease. Legal costs have significantly drained the reserve fund from £30,000 to £12,000, with no transparent accounting for a £20,000 expenditure claimed for major works that have not been detailed or substantiated.	Further repetition of points addressed above. Funds had been accruing over many years for works to the building however all funds collected were drained as a direct result of Mr Miah's conduct and activities.

			Furthermore, the annual general meeting (AGM) was improperly converted to an extraordinary general meeting (EGM) without adequately discussing financial matters or allowing sufficient time for leaseholders to address unresolved disputes, limiting dialogue to a restrictive two minutes per topic. The legal fees totalling £7,432.80 lack detailed breakdowns, obscuring which costs were allocated under which schedule, and raising questions about the appropriateness of charging these to the service charge account, as this does not pertain directly to service charge matters.	An EGM was convened in January 2023 solely to resolve the disputes about directorships of ACMIL.
Year End 2023 50	720	120	Concerns Regarding ongoing Legal Expenses with Barker Gotelee: The disputes at Anchor Court Management (Ipswich) Limited persist, with no evidence that the board has reported	Repeat of comments above

			illicit activities to the police or held a formal meeting to address these issues in accordance with the Lease. There is no clear breakdown distinguishing Leasehold matters from company governance issues. Despite this, all invoices from Barker Gotelee are categorised under leasehold disputes, raising concerns about the accuracy of these classifications and whether these legal expenses are being appropriately allocated and justified.	

102. The Legal and Professional fees for the period 1 September 2021 to 31 December 2022 were set out in the accounts at pages 629 and 834 as £17,543. At page 718 the Legal and Statutory fees were set out as £7,606.80 (the Barker Gotelee fees amounting to £7,432.80 with the balance being £120 company sec fee and £54 companies house fee). The Tribunal notes that during this period the managing agent changed the accounting period so that the year end was December as required by the Lease.

103. At paragraph 88 (page 81 of the bundle), in reply to the Applicants' statement of case, the Respondent confirmed that Barker Gotelee's costs for advising on the breach of covenant by the Applicants and the Respondent's remedies were £7,919, excluding VAT. The balance of the costs related to advice in relation to corporate governance matters. The Respondent's position was that they had provided sufficient detail to enable the Applicants to understand the reasons for the relevant costs, whilst ensuring that the Respondent did not waive any privilege regarding the legal advice it received.

Tribunal Decision - Legal Costs - Service Charge Year End 2022 and 2023

104. The Applicants included within their submissions a number of points that are not relevant to the issue before the Tribunal. Whether or not the board had reported matters to the police or convened a formal meeting are not issues that are relevant to the Tribunal's jurisdiction, which is whether or not the legal costs charged through the service charge were payable or reasonable.

105. The Tribunal has therefore only considered the points made by the Applicants that related to the Tribunal's jurisdiction, namely: firstly, the Applicants' contention that legal fees had been charged as part of the service charge account for legal matters which were outside the scope of the service charge; secondly, whether Barker Gotelee should have been instructed.

106. The Tribunal is satisfied that clause 14 of the Fifth Schedule of the Lease enabled the Respondent:

> "14. to make provision for the payment of all legal and other costs and expenses incurred
>
> 14.1 in the running and management of the Building and in the enforcement or attempted enforcement of the covenants conditions and regulations contained in the leases granted of any flat in the Building"

107. The Applicants contended that the breakdown of legal fees did not distinguish the work which was chargeable through the service charge and that which was not. In the Applicants' statement of case (page 65 of the bundle), the Applicants submitted that the Respondent had used the reserve fund to pay legal costs and that this was not in accordance with the Lease.

108. In reply, Mark Wrinch, solicitor and partner of Barker Gotelee LLP provided a written statement to the Tribunal dated 17 January 2025 (section 10.3 of the bundle). He confirmed that he was instructed by the Respondent on 9 September 2022 via its managing agent, Sapphire Property Management. At paragraph 11 of this witness statement, Mark Wrinch detailed the issues upon which he was asked to advise as follows:

- Service charge demand compliance
- Service charge trust account
- Financial statement for 2022
- Authority to act
- Queries concerning company governance
- Communication between directors and shareholders.

109. Further, the letters written to the Applicants dated 7 October 2022 and 31 October 2023 were included at section 10.3 of the bundle.

110. At paragraph 15 of Mark Wrinch's statement he wrote:

> "It is difficult to accurately proportion the time I spent on Service Charge disputes; lease obligations; the s27A pre-action letter; and company governance. However, I estimate that total fees relating to leasehold disputes was £7,919 + VAT.

111. The Tribunal accepts that there would be overlap between the issues that are outside the Tribunal's jurisdiction and those which are service charge matters and this would make it difficult to separate the amount that would be chargeable through the service charge accounts. The Tribunal, however, accepts the evidence of Mark Wrinch and finds that the legal costs should be reduced to £7,919 + VAT.

112. Turning to the second issue, the Applicants questioned the use of Barker Gotelee. The Tribunal finds that it was reasonable for the Respondent to engage solicitors and further finds that the Respondent could instruct an appropriate firm. The Tribunal therefore does not accept the Applicants' contention that Barker Gotelee should not have been instructed.

Reserve Fund – Year End 2022 and 2024

113. In their statement of case (page 63), the Applicants asked the Tribunal to find that the drawdown of reserve funds by the Respondent in the period to year end 2022 involved an application of the service charge funds which was not authorised by the Lease. The Applicants further stated that there was a lack of proper records of the reserves. The Applicants stated that clause 15.2 of the Lease created a condition precedent that until a certificate of appropriacy had been obtained, the power to draw on reserves was not activated.

114. Further, the Applicants set out their issues in dispute in relation to the service charge year end 2024 at item number 58 of the Schedule as follows:

Item	**Cost Dispute**	**Flat E Dispute**	**Tenant's Comment**	**Respondent's Comment**
			Reserve Fund Contribution from £2,000 to £6,149.	We are unsure how to respond to this statement.

			Told Flat F that they can charge us for the Reserve Fund whether we like it or not. This concern is addressed as the board of directors have the autonomy to increase or decrease without any accountability or transparency.	Please provide evidence that this information was given to Flat F. This is a rhetorical statement. ACMIL and the managing agents consider the budget carefully and in accordance with the Lease.

115. Samantha Lapworth, director of East Block Group Limited and instructed by the Respondent as managing agent for the Property, told the Tribunal that she reviewed the service charge accounts and also considered the Condition Survey Report that was complete for the Property in February 2024 (pages 913 to 949 of the bundle) and recognised that the Reserve Fund did not have sufficient funds to be able to complete the work that would be required.

Tribunal Decision – Reserve Fund 2022 and 2024

116. The Tribunal does not accept the submission of the Applicants in their statement of case that the drawdown of reserve funds by the Respondent in the period to year end 2022 involved an application of the service charge funds which was not authorised by the Lease. The Applicants did not clarify their position.

117. Turning to the reserve fund for 2024, the Applicants did not provide the Tribunal with any evidence as to why the amount paid for the reserve fund was unreasonable. The Tribunal accepts the evidence of Samantha Lapworth that the amount set for the reserve fund was worked out in accordance with the Lease and to ensure that there was a reserve fund. Further, the Tribunal accepts that, in light of the Condition Survey, it was prudent for the reserve fund contribution to be increased.

Tribunal Decision – Drain Invoice Service Charge Year End 2022

118. At item 41, the Applicant disputed the invoice (a copy of which was at page 650 of the bundle). The invoice related to investigation of blocked drains. The narrative on the invoice stated:

> "Attended site to investigate reports of blocked drains, engineer information by tenant in flat C that the previous week during a heavy downpour her toilet began to back up". Lifted manholes on site to find them clear and free flowing. Dye tested from flat C to main interceptor then carried out HPWJ on foul line from flat C to interceptor to ensure free flow, checked with CCTV from clat C to interceptor and interceptor to road. Includes travel"

119. The Applicants stated that the hourly rate was given as £90 and the time on site was given stated as 14:15 and the time off site was 16:00. The Applicants therefore submitted that the invoice should be £180 plus VAT of £36 which totalled £216, whereas the invoice was £247.50 plus VAT of £49.50 which totalled £297.

120. In reply, the Respondent confirmed that the invoice stated that it "includes travel". The time the contractor was on site was given as 14:15 to 16:00, and therefore the remainder of the time was the time that the contractor travelled to and from the site.

121. The Tribunal notes that no detail was provided on the invoice as to the details of the travel to and from the Property; however, the invoice was clear that the contractor spent 1 hour 45 minutes at the Property. 1 hour 45 minutes at £90 per hour is £157.50 meaning that £90 was the amount charged for travel. This equates to 1 hour of travel to and from the site.

122. The Tribunal finds that, whilst the details of the cost of travel should have been more clearly articulated, the invoice clearly sets out the work that was completed on site and does state that travel was completed. 1 hour of travel to and from the site is reasonable. The Tribunal therefore finds that this charge was reasonable and payable. No alternative quotes were provided by the Applicant and therefore the Tribunal finds the invoice payable – namely £157.50 for the time spent at the Property, £90 travel time and VAT at 20% (£49.50) which totalled the invoice amount of £297.

Change of Power Supply for Summer-house – Service Charge Year End 2022

123. The Applicants set out their issues in dispute at item numbers 43 of the Schedule; the Applicants disputed the charge of £178.85 (Applicants' contribution £22.36). The Applicants stated:

> "As of 15 March 2022, the managing agent informed us via email that electricity for the summer-house has been transferred to the

communal circuit, and access to this facility will only be granted to other residence once Mr. and Mrs. Boyle sell their property, raising concerns about equitable use of communal resource"

124. The Respondent's reply within the Schedule was "irrelevant point – just a statement and historical issue which is now resolved". In a written statement dated 17 January 2025 (section 10.2.1 of the bundle), Alexander Boyle, joint owner of flat B/D and director of the Respondent, stated that when he and his wife moved to Flat B/D they inherited a summer-house which was in the grounds of the Property. Emma Boyle provided a written statement dated 17 January 2025 which confirmed the detail provided by Alexander Boyle, and in oral evidence at the hearing, the Respondent confirmed this.

125. The Respondent stated that when it put its property on the market in spring 2022, the electricity supply for the summer-house was changed to the landlord's supply as it had previously been part of the Boyle's personal supply.

Tribunal Decision – Change of Power Supply for Summer-house – Service Charge Year End 2022

126. The charge to change the power supply for the summer-house was stated as £178.85 in the schedule of general maintenance for the final period ended 31/12/2022 at page 610 of the bundle.

127. The issue for the Tribunal is the payability and reasonableness of the service charge. The Tribunal's jurisdiction does not extend to resolving disputes regarding the use of the summer-house. The evidence before the Tribunal regarding the use of the summer-house is contradictory. It is clear that the summer-house was viewed as the private property of the previous owner of flat B/D. However, it is clear that in Spring 2022 the electricity to this summer-house was changed to the communal supply. It would appear from the Respondent's evidence that a padlock was put on the door of the summer-house (pages 45 and 46 of the bundle). Marie Boyle told the Tribunal in oral evidence and in her written statement that a padlock was placed on the summer-house as Alexander and Marie had moved their bikes from the communal bike shed to free up more room in the bike shed for other residents and wanted to keep their bikes safe. The Tribunal finds that in light of this, the summer-house was not used as a communal facility.

Removal of Summer-house – Service Charge Year End 2022

128. The Applicants disputed the cost of the removal of the summer-house at item 45 of the Schedule. The cost was stated as £282, which was shown in the schedule of general maintenance at page 610 of the bundle. The Applicants stated in the schedule:

> "Despite the summer-house being personal property of Mr. and Mrs. Boyle, ACMIL approved the use of service charge funds for skip hire to remove it, spending approximately £760 – and unnecessary and unreasonable expense- resulting in only one shall shed now being shared between six flats, which could have been better managed to benefit all residents"

129. In a written statement dated 17 January 2025 (section 10.2.1 of the bundle), Alexander Boyle, joint owner of flat B/D and director of the Respondent, stated that when he and his wife moved to Flat B/D they inherited a summer-house which was in the grounds of the Property. However, the summer-house was demolished in December 2023 and a skip was placed in the grounds of the Property to dispose of it. All residents were invited to use the skip to dispose of large items of rubbish and scrap if they wanted to. In the written statement it was stated that the summer-house was demolished in 2023; however, within the schedule (paragraph 34 page 46 of the bundle), the Respondent stated that the summer-house was dismantled in December 2022 and a skip was hired to remove it.

Tribunal Decision – Removal of Summer-house – Service Charge Year End 2022

130. The issue for this Tribunal is whether the cost of the cost of removal of the summer-house is payable and reasonable. The evidence of Alexander and Marie Boyle was that when they moved into the Property, they inherited the summer-house and that this was not a communal fixture. Whilst the Tribunal understands the evidence of Alexander and Marie Boyle that the skip was hired to remove the summer-house but the use of the skip was offered to all residents at the Property, the Tribunal does not accept that this charge was payable as a service charge. The Tribunal finds that the skip was hired to remove the summer-house and that on the evidence of the Respondent, this summer-house was not a communal facility and therefore the charge of its removal was not an charge which could be charged as a service charge.

Removal of Applicants' Belongings – Service Charge Year End 2022

131. At item 44, page 52 of the bundle, the Applicants disputed a charge of £300. The Applicants commented as follows:

> "Despite the Lease permitting storage in communal spaces, as evidenced by existing items like paint, beds, and a water booster in the cellar as of 30 August 2019, our stored personal items and children's garden toys were unreasonably removed by the board, which then imposed new rules without issuing formal enforcement notices or considering the Lease terms in their decision".

132. At the hearing, the Applicants explained that it was their view that the Lease allowed them to store belongings in the cellar; however, their items were removed by the Respondent. It was the Applicants' position that their belongings should not have been removed; therefore the charge of £300 (of which their share was £37.50) was not reasonable.

133. The Respondent confirmed that the relevant invoice was at page 702 of the bundle. The cost of the works was £250 with VAT of £50. The description of the work was stated on the invoice as:

> "Attend site on 2/11/22 to meet resident and remove all items from cellar including a door stored by entrance to cellar. Place all in storage for 28 days"

134. Katherine Lawrence, registered proprietor of Flat C and director of the Respondent, gave evidence to the Tribunal. Her written statement was at section 10.2.3 of the bundle. Katherine Lawrence told the Tribunal that following a fire safety risk assessment, the Respondent was informed that no flammable items should be kept in the communal areas, including the cellar. Based on this advice, the Respondent sent a letter to the Applicants to explain that the items had to be removed. Katherine Lawrence confirmed that the Applicants were the only residents who had items in the cellar. As the items were not removed by the Applicants and having taken legal advice, the Respondent placed notices on the flammable items. These notices gave a time period by which the items had to be removed. As the items were not removed, PH Contract Service Limited were instructed to remove the items and the Applicants were told that they could request the items back within 28 days. Katherine Lawrence further told the Tribunal that the items that were removed included a wicker basket, cooking oil and a baby's cot – all of which the Respondent said were flammable. Katherine Lawrence told the Tribunal that the Respondent had asked the Applicants if they wanted to pay for the removal of the items themselves, but when they refused, the Respondent stated that they had had to add the cost of the invoice to the service charge account.

Tribunal Decision - Removal of Applicants Belongings – Service Charge Year End 2022

135. The Tribunal accepts the evidence of the Katherine Lawrence and finds that based on fire safety advice, the Respondent took appropriate action to remove the Applicants' flammable items from the cellar. The cost of removing these items is supported by an invoice (page 702) of the bundle. The Applicant did not provide the Tribunal with any alternative quote. The Tribunal finds that £300 was a reasonable charge for the removal of items from the cellar of the Property and storage of them for 28 days.

Application under s.20C 1985 Act and Paragraph 5A Schedule 11 Commonhold and Leasehold Reform Act

136. In the application form the Applicants applied for an order under section 20C of the 1985 Act and paragraph 5A Schedule 11 Commonhold and Leasehold Reform Act.

137. Having heard the submissions from the parties and taking into account the determinations above, the Tribunal declines to make these orders. The Tribunal finds that it is not just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge.

138. The Tribunal has reached this decision for a number of reasons, in particular taking into account the conduct of the parties, the circumstances of the parties and the outcome of the proceedings as follows: Firstly, the Applicants' Schedule consisted of 88 items of dispute covering service charge year end 2015 to 2024. The Respondent was required to answer each of these items; however, it was not until the hearing was taking place that the Applicants clarified the issues that they were no longer disputing. Secondly, the Tribunal determined that it would not consider service charge years 2015 until year end 2020 for the reasons set out above. Thirdly, many of the items set out in the Schedule were not particularised and therefore would have taken longer to prepare. Fourthly, the Applicants raised a number of issues that related to company law, breach of trust and misuse of service charge funds which were outside the scope of this Tribunal. Finally, the Respondent is a resident-owned management company without resources apart from the service charge income. For all of these reasons the Tribunal finds that it would not be just and equitable to make these orders.

Name: Judge Bernadette MacQueen Date: 18 June 2025

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).