



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

Case reference : **LON/00AS/LSC/2025/0859**

Property : **Movia Apartments,
3 Bakers Road, Uxbridge, Middlesex,
UB8 1SS**

Applicant : **Movia Residents Association (MRA)
(Schedule of relevant members
appended)**

Representative : **Mr Gianfranco Celani, MRA Chairman**

Respondent : **Karibu Community Homes**

Representative : **Mr Sami Allen, Counsel**

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 : **Mr C Norman FRICS
Valuer Chairman
Mr S Johnson MRICS**

**Venue/ Date of
Hearing** : **10 Alfred Place, London WC1E 7LR
4 December 2025**

Date of decision : **21 March 2026**

DECISION

Decisions of the tribunal

- (1) The tribunal makes the determinations as set out under the various headings in this Decision and as set out in the attached Scott Schedule.
- (2) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by the Applicant in respect of the service charge years 2019-2020 (September – March), 2020-2021, 2021-2022, 2022-2023, 2023-2024, 2024-2025 and estimated charges for 2025-2026. The service charge year runs from 1 April to 31 March.

The hearing

2. The Applicant was represented by Mr Gianfranco Celani, Chairman of the Movia Residents' Association (MRA). The Respondent was represented by Mr Sami Allen, Counsel who produced a short skeleton argument. The Tribunal received a bundle of 230 pages and supplemental bundle of 130 pages.

The background

3. The property which is the subject of this application is a mixed use modern building of eight storeys comprising flats over two ground floor commercial units. Originally there were 37 flats and a gym. From 2023-2024 onwards the gym was converted to two flats, giving 39 flats. There is a flat roof.
4. Neither party requested an inspection and the tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.
5. Neither party has assisted the Tribunal in dealing with this case. The applicants' case conflated service charge disputes with a challenge to the accounts. The application form incorrectly stated estimated amounts as being in dispute when the applicant was aware that the respondent had served certificates under clause 7.5 of the lease, in respect of years ending 2020,2021,2022,2023 and 2024, and that therefore those were the amounts in contention. The applicants failed to produce any witness statements.

6. The function of the Tribunal is not to reconstruct or re-state accounts prepared by a landlord. If the tenants wish to challenge the accounts, they will need to take legal advice. Furthermore, contrary to the applicants' submissions, the Tribunal has no jurisdiction to order the landlord to repay monies paid.
7. The Respondent has failed to produce evidence as to the basis of the sinking fund for the year 2025/26 where there was direct challenge as to the amount. It has failed to provide any evidence as to the apportioned insurance block policy for years 2023 onward. The Respondents have not produced a service charge certificate for the year ending 2025. Although the Respondents appointed Pinnacle Property Management as managing agents, the Respondent dealt directly with insurance and the sinking fund.
8. In the circumstances, the Tribunal has done the best it can with imperfect evidence. For the years ending 2025 and 2026, absent service charge certificates the Tribunal can only make findings as to reasonable amounts payable on account. For those two years the parties may make a future application to have the service charges re-assessed once the service charge certificates have been issued.

The Lease

9. The main relevant lease provisions are as follows, but by clause 3.3.1 the lessee covenants to pay outgoings and the Service Charge

“**Service Charge**” means the Specified Proportion of the Service Provision

“**Specified Proportion**” means a fair proportion

7.3 How calculated

The Service Provision shall consist of a sum comprising the expenditure estimated by the Authorised Person as likely to be incurred in the Account Year by the Landlord for the matters specified in Clause 7.4 (*Service Provision*) together with:

(a) an appropriate amount as a reserve for or towards the matters specified in Clause 7.4 (*Service Provision*) as are likely to give rise to expenditure after such Account Year being matters which are likely to arise either only once during the then unexpired term of this Lease or at intervals of more than one year including (without limitation) such matters as the decoration of the exterior of the Building (the said amount to be calculated in a manner

which will ensure as far as is reasonably possible that the Service Provision shall not fluctuate unduly from year to year); but

(b) reduced by any unexpended reserve already made pursuant to Clause 7.3(a)

7.4 Service Provision

The relevant expenditure to be included in the Service Provision shall comprise all expenditure reasonably incurred by the Landlord in connection with the repair management improvement renewal (including any latent defect) redecoration maintenance and provision of services for the Building and shall include (without prejudice to the generality of the foregoing):

(a) the costs of and incidental to the performance of the Landlord's covenants contained in Clause 5.2 (Insure) and Clause 5.3 (*Repair redecorate renew structure*) and Clause 5.4 (*Lighting and cleaning of Common Parts*)

7.5 Adjustment to actual expenditure

As soon as practicable after the end of each Account Year the Landlord shall determine and certify the amount by which the estimate referred to in Clause 7.3 (*How calculated*) shall have exceeded or fallen short of the actual expenditure in the Account Year and shall supply the Leaseholder with a copy of the certificate and the Leaseholder shall pay immediately following receipt of the certificate the Specified Proportion of the deficiency and if there shall be any excess this shall be carried forward by the Landlord to be credited to the account of the Leaseholder

7.6 Landlord to contribute to reserve in respect of unlet parts

The Landlord will for the period that any flats in the Building are not let on terms

making the tenant liable to pay a service charge corresponding to the Service Charge payable under this Lease provide in respect of all such flats a sum equal to the total that would be payable by the tenants of such flats by way of contribution to the reserve referred to in Clause 7.3(a) and the said reserve shall be calculated accordingly.

5.2 Insure

At all times during the Term (unless such insurance shall be cancelled invalidated or revoked by any act or default of the Leaseholder) to keep or procure to keep the Building insured against loss or damage by fire and such other risks as the Landlord may from time to time reasonably determine or the Leaseholder or the Leaseholder's mortgagee may reasonably require in some insurance office of repute to its full reinstatement value (including all professional fees in connection with any reinstatement and two years' loss of rent) and whenever required will produce to the Leaseholder the insurance policy and the receipt for the last premium and will in the event of the Building being damaged or destroyed by fire or other risks covered by such insurance as soon as reasonably practicable make a claim against the insurers and lay out the insurance monies in the repair rebuilding or reinstatement of the Building"

The Applicants' Case

10. The applicants challenged specific items as set out on the attached Scott Schedule. In addition, the applicant complained that reliable accounts had not been produced. The accounts prepared by Pinnacle differed from those prepared by the external auditor [Evelyn, 2019-20, 2020-21 and 2021-22]. The landlord had not provided all the invoices referenced in the Pinnacle accounts. Consequently, the applicants disputed the balancing charges arrived at each year. In addition, the basis for the sinking fund had not been given. There was a lack of transparency. The Tribunal should order full disclosure.
11. Mr Celiani produced lists of invoices and an analysis intended to challenge the landlord's certificates issued under clause 7.5. However, these documents were not annexed to a witness statement or verified by a statement of truth. The same applied to other challenges made to the cost and/or quality of services. No witness statement was served.
12. Mr Celiani had obtained three alternative quotations. On 14 June 2024 he obtained an Estate Management Proposal from Colmore Gaskell, who are RICS accredited. The fee proposal was £145 plus VAT per unit per annum (£174 including VAT). The proposal was subject to a management agreement, which was not supplied. The range of services did not list any trades which would be procured. He also appended what he termed a "mock agreement" from Cedar View Properties dated 14 June 2024 who are based in Buckinghamshire. This was a draft management agreement. The stated cost was £3,500 plus VAT per annum.
13. A quotation for cleaning from Stela Clean was also provided. The cost was £9,000. Activities daily/weekly/6 weekly were listed but not the

number of hours to be worked. The document was unsigned and undated but makes reference to 2023.

The Respondent's Case

14. This may be summarised as follows. The correct accounts were those produced by Pinnacle except for the insurance costs which were shown for the first three years in the Evelyn accounts. Insurance was dealt with direct by Karibu not Pinnacle. All the heads of charge fell within the scope of the lease covenants. In terms of any alleged non-compliance with section 22 of the Act, if asserted, the respondent relied on *Morshead Mansions Ltd v Di Marco (No 2)* [2014] EWCA Civ 96
15. Mr Sami called Mr Dylan Contram Seetannah, who had given a witness statement verified by a statement of truth. Mr Seetannah is a Property Manager employed by Pinnacle Property Management Ltd which is instructed as managing agent by Karibu Community Homes. The respondents incorporated Mr Seetannah's evidence into its replies in the Scott Schedule.
16. Mr Seetannah's evidence may be summarised as follows. He began managing Movia Apartments in January 2025. Movia Apartments comprises 2 commercial units, 19 leasehold [owner occupied/shared ownership] units and 18 general needs units [units for rent]. In terms of apportionment, if a cost is a building charge it is apportioned between 41 units. If it is internal charge it is apportioned between 39 units. This is a fair apportionment.
17. The Building Charge covers costs associated with the external structure and shared building systems, including: (a) car park gates and external communal electricity (b) fire safety equipment and lightning protection (c) pest control and window cleaning (d) roof terrace and ground maintenance (e) managing agent and professional fees.
18. Internal Charges covers the costs for internal communal areas and services, such as: (a) door entry system and emergency lighting maintenance (b) internal communal electricity and lighting (c) caretaker staffing costs for internal duties (d) general internal maintenance and water charges (e) sundries (e.g., postage)
19. In relation to the disputed items in the Scott Schedule Mr Seetannah's evidence for 2019-2020 was as follows.

“The energy generated by the solar powers goes into the Respondent's Electrical Board / Estate and is used to power the communal areas and the communal utilities. This does not just include communal lighting, but includes two lifts within the block plus the plant and machinery in the Plant

room, such as water pumps that ensure water is delivered to the top floor of the block. There is no battery connected to the solar panels and if there is any unused energy generated by the solar panels this is fed back into the grid free of charge. We are waiting for confirmation in respect of the percentage that is being fed back, albeit there is no feed in tariff. At paragraph 5.3(b) of the Lease the Respondent covenants to repair and maintain Electrical Apparatus and Machinery in, under and upon the Building. The Respondent submits that this therefore covers the cleaning of the solar panels on the roof, which unless cleaned would not generate electricity and so would result in higher electricity costs for power supplied to the communal areas and thereby increase the service charge costs to the residents...”

Caretaker staffing costs: It is accepted that cleaning was provided from 2019 – 2022 [Cleaning was provided until September 2023 until it was taken over by a new company in February 2024]. [...]

Management Agent fee: this is to cover the cost of providing a management service, and is based on the salaries of the staff who work to provide these services. The management service cannot function without the work of the staff. The charge covers the following staff: The Neighbourhood Housing Lead who visits Movia Apartment to ensure standards are maintained. The Income team who collects payments, arrange direct debits and or pursue arrears when necessary to ensure cash flow to enable the Respondent to continue to provide services. The services charge team who calculates and issue estimate and accounts and ground rent notices and respond to any enquiries from residents. Contract management for the various contracts in place at Movia Apartments and external areas. Contact centre who responds to communal repair requests or other housing matters. Attached at Appendix 4 is a document providing clarity into Management Agent fees for year 2019 / 2020 and schedule.

Sinking funds: Under the terms of the lease, the Applicant covenants with the Respondent to pay the Service Charge during the term by equal payments in advance to include an amount to build up a reserve fund to cover future major expenses in accordance with clause 7.3(a) of the lease. The Applicants are not challenging the requirement for them to pay into a sinking fund, nor the amounts being charged. Their challenge is that the Respondent should contribute into the same fund. The Respondent is a Registered Provider of Social Housing and the Building contains

general needs tenants. The Lessee's Service Charge Proportion in the Lease is defined as being a 'fair proportion' (see Particulars in Lease). Building or Internal costs are apportioned as provided for at para 16 (6) above and therefore the Applicants will only have to contribute their fair proportion as leaseholders and the Respondent will therefore pay from its own reserves the amounts attributable to the General Needs tenants.

Insurance Costs: The Insurance costs vary each year for a building of this nature and size. As with many other services, there has been an increase in costs and the increase in the insurance linked to this. Attached at Appendix 5 is a document explaining how Karibu procure insurance, the reason for the increase and summary of cover.

Account Surplus /Deficit: The audited service charge statement shows the actual surplus or deficit for the year. These statements are based on variable service charges. A variable service charge changes from the estimated charges when replaced by actual costs incurred by a landlord for services provided to tenants or leaseholder and in this case prior year's deficit and surplus have been accounted for and thus resulting to a net deficit for the year. Variable service charges require accounting for brought forward surplus/(deficit) in future charges. [...]

20. These responses were substantially replicated in subsequent years.

Discussion and Findings

Apportionment

21. The Tribunal finds that the apportionment bases adopted are reasonable. The respondent was also entitled to adjust the proportion when the gym was converted to 2 additional flats. The tribunal does not therefore have jurisdiction to interfere with it.

The Accounts

22. The parties' relationship is governed by the terms of the lease, subject to the effects of relevant legislation. Under the lease, payability of service charges is not dependent upon invoices being supplied or made available for inspection. Nor does the lease require that accounts are certified by an auditor or accountant. The obligation to pay arises from demands or estimated accounts followed by Landlord's certificates in accordance with clause 7.5. Such certificates have been issued, together with annual

service charge accounts for the years ending 31 March 2020, 2021, 2022, 2023 and 2024. These show actual expenditure against budgets, with a balancing sum. Subject to the detailed findings on individual items of challenge as set out in the Scott Schedule, none of the entries appear unusual for a building of this nature, although they do not include building insurance or the sinking fund which is treated separately.

23. Further, the landlord has provided invoices to the applicants but some heads of expenditure are less than the amounts shown in the accounts. Having considered the overall probabilities and plausibilities, the Tribunal finds that it is more likely than not that this arises from missing invoices rather than the costs not having been incurred. This is because there are clearly heads of recurring expenditure with monthly invoices missing such as CSS cleaning invoices for 2019-20 where nothing is shown in August 2020. In 2021-22 the invoices referenced cover 7 months only. Secondly the respondent is a registered charitable housing association which is non-profit making. Further, Mr Celiani is not a qualified accountant, and his schedules are not annexed to a witness statement verified by a statement of truth. Nor is he acting as an expert witness.
24. For the years 2019-20, 2020-21 and 2021-22 the Landlord also provided accounts prepared by Evelyn. These clearly do not cover all services provided as was accepted by the applicant who described them as partial accounts. The Tribunal relies on them only in connection with ascertaining the level of the insurance premiums which are shown and the amount of the sinking fund accrued at £11,970 plus £17,385 as of 31 March 2022.
25. The Tribunal therefore finds that the most reliable evidence is the service charge certificates prepared by Pinnacle together with insurance costs provided by the Evelyn accounts. As to the sinking fund, the amounts demanded are taken as being those claimed in the application form, there being no other evidence of amount.

Insurance Costs

26. The evidence supplied by the respondent was unsatisfactory. No breakdown per unit in the building of the global block policy premium was supplied, except for the years 2019-20, 2020-21 and 2021-22 from the Evelyn accounts. Evidence was provided of a social housing block policy from Zurich Insurance, named "Select for Social Landlords". The policy included terrorism cover and legal liability of the policyholder. For the year ended 31 March 2021 the sum insured was over £151m and the premium £126k. A breakdown of the premium was not provided. However, the cost shown in the Evelyn accounts was £5,262.65 for the 19 shared ownership flats. This equates to £276.98 per flat.

27. For 2022/23 the insurers were the same. The total sum insured included was £250m. A breakdown of the premium was given. £0.178m directly related to property. The element for public liability was £0.014m. Cover for employers' liability, libel/slander and legal expenses was £0.008m. Engineering insurance was £0.50m. Cover for personal accident, directors, and computer cover was £1.37m. The cover for an inspection contract, crime, material damage (MD) business interruption (BI) terrorism was £8.395m. The Evelyn accounts stated the premium for the 19 flats as £6342.76 or £333.83 per flat.
28. The Tribunal finds that most of these elements of cover fall within the insurance clause (being risks for which the landlord may reasonably insure relating to the building) except for personal accident, employers' liability, libel/slander, legal expenses and computer cover of £0.0014m. This requires a downward adjustment in premium of about 4%. The tribunal therefore finds that a reasonable premium for the year is £320 per shared ownership flat. No alternative quotes were provided by the applicants.
29. In following years, there is no information as to how the premium charged to shared ownership lessees has been derived from the global premium for the block policy. The Tribunal will therefore apply the amount calculated for the year 2022/2023. The Tribunal will apply the 4% adjustment for all years.

Managing Agents' Fees

30. The Applicants complained that they had received a poor service. The Tribunal found that this was inadequately particularised and there was no witness evidence. The Tribunal therefore makes no downward adjustment to the managing agents fees on this ground. Further findings on the fees are set out in the Scott Schedule.

The Sinking Fund

31. The Respondents position is that the applicants in their statement of case did not challenge the overall amount sinking fund sought. The applicant did so in their Reply. The purpose of the Reply is to address points in the respondent's statement of case. It is not an opportunity for the applicants to raise new issues.
32. With the exception of the year ending March 2026, the Tribunal finds that the applicants did not challenge the overall amount of sinking fund sought in their statement of case. It was too late to do so in the Reply.
33. In relation to the preceding years, the Tribunal finds that the amounts sought were not directly challenged. However, alternatively the Tribunal would find that sums demanded were reasonable, reflecting the need for

roof replacement costing more than £100,000 on the applicants own case (see Scott Schedule 2026). For the year ending March 2026, where the applicants did directly challenge the amount as an advance payment, in the absence of evidence from the respondents, the Tribunal finds that no sinking fund is payable. It also notes the applicants' case that over £99,000 had been accumulated in the fund.

The Alternative Quotations

34. The Tribunal is not persuaded by the alternative quotations obtained by Mr Celiani. The Colmore Gaskell quotation is much lower than the Tribunal would normally expect to see. Furthermore, the Respondent is not required to obtain services for the lowest possible cost. The cost must only be reasonably incurred. The Stela Clean quote did not state the number of hours to be worked. The Cedar View quote was described as a "mock agreement".

Application under s.20C and refund of fees

35. In the application form the Applicant applied for an order under section 20C of the 1985 Act. The Tribunal finds that each party has been partially successful and unsuccessful. However, the Tribunal considers that the need for the proceedings has been caused by incomplete information being provided to the applicants. It therefore finds that it is 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.

Name: Mr C Norman FRICS

Date: 21 March 2026

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).

Schedule of Applicants		
Nikolay Petkov		Flat 1A, Movia Apartments
Paul Hirst		Flat 1, Movia Apartments
Samantha Amah		Flat 2, Movia Apartments
Robert Orvalho& Kei Long Cheung		Flat 5, Movia Apartments
Nikita Khasriya		Flat 6, Movia Apartments
Melissa Warren		Flat 7, Movia Apartments
Harishen Kureemun		Flat 9, Movia Apartments
Chong Liu		Flat 10, Movia Apartments
Sergio & Ilenia Duca		Flat 12, Movia Apartments
Irina Homeniuk		Flat 15, Movia Apartments
Jevgeni Ivaniskin		Flat 19, Movia Apartments
Gianfranco Celani		Flat 20, Movia Apartments
Egle Grigorjeva		Flat 22, Movia Apartments
Karolyne Pelegrinello & Mylene Soares		Flat 25, Movia Apartments
Anna Stevenson		Flat 34, Movia Apartments
Robert Evans		Flat 35, Movia Apartments