



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

Case Reference : **LON/00BH/LSC/2025/0973**

Property : **Flats 5,6 and 7 Oaks Court, 226-228 Cann
Hall Road, Leytonstone, London, E11 3NF**

Applicant : **Oaks Court RTM Company Limited**

Representative : **Uniq Block Management**

Respondent : **(1) Mr Sieng Van Tran (Flat 5) (2) Mr Fawad
Arshad Khan (Flat 6) (3) Mr Xiaoming Wang
(Flat 7)**

Type of Application : **Application for the determination of the
payability of service charges under section
27A of the Landlord & Tenant Act 1985.**

Tribunal Members : **Mr D I Jagger MRICS (Valuer Chair)
Ms J Rodericks MRICS
Mr P Joseph MRICS**

Hearing Dates : **12 February 2026**

Date of Decision : **17 March 2026**

DECISION

Decisions of the tribunal

- (1) The interim service charges demanded for the interim service charge year ending 31 December 2025 are recoverable but not currently payable.
- (2) The Tribunal makes no determination as to the reasonableness of the sums charged by way of the interim service charge for that year.

The application

1. By an application dated 1 August 2025, The Applicant RTM Company seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the **1985 Act**”) as to whether service charges are payable and under Schedule 11 to the Commonhold and Leasehold Reform Act 2002 as to whether administration charges are payable.

The hearing

2. The Applicant appeared and was represented by Mr Rory Gordon, a director of the RTM Company, at the hearing. The Respondents were represented by Mr Wang, leaseholder of flat 7 a director of the Respondent. Mr Khan also attended the hearing and his son interpreted for him. The leaseholder for Flat 5 sent an email to the Tribunal at 9.18am on the morning of the hearing to confirm that he was unable to attend the hearing. The Tribunal contacted Mr Vann Tran, the leaseholder of flat 6, by telephone to provide a link to join the hearing via video or telephone. Mr Van Tran did not attend on this basis and therefore the Tribunal accepts his written statement as evidence.
3. The Tribunal had before it, at the start of the hearing, a bundle of 99 pages, and a supporting bundle with the leases for Flats 6,7, 9a, and 10. The Applicant’s skeleton argument (14 pages) and the Respondent’s skeleton argument (1 page)

The background

4. The Property is described in the application as a three storey building containing 13 converted flats. The building was originally constructed in c.1900 as a public house. Around 1988 it was converted to form 8 flats. Between 2014 and 2019 5 additional flats were added, some of which are in the basement of the original building. Each of the three Leases (the ‘**1988 Leases**’) were granted on generally the same terms. The RTM Company have managed the building since **21 April 2025**
5. Neither party requested an inspection, and the tribunal did not consider this necessary. The Tribunal reminded the parties that it is not bound by the two previous decisions concerning this building and each case is taken on its merits and the evidence provided.

6. The three Respondents have been tenants of the Property under the 1988 leases which requires the landlord to provide services and the tenant to contribute towards their costs by way of a service charge. The relevant provisions of the 1988 Lease will be referred to below.

7. On the 19 September 2025 Judge Latham issued Directions for the conduct of this matter. These Directions were subsequently amended on the 20 November 2025 which provided the parties an extension of time for submission of evidence.

The issues

8. The parties have identified a single issue for determination by the Tribunal to be :

□ Whether the Applicant has made valid interim (?) service charge demands for the three flats pursuant to the Leases and the 1985 Act

9. Having heard evidence and submissions from the parties and considered all of the documents provided, the Tribunal has made determinations on this single issue which is essentially the interpretation of the 4th Schedule of the lease.

Has the Applicant made valid service charge demands?

10. This application concerns the non-payment of 2025 interim service charges by the leaseholders of Flats 5,6 and 7, each held under long leases dated January 1988. The Respondents are (i) Sieng Van Tran (Flat 5): £1,619.50 (ii) Fawad Arshad Khan (Flat 6) : £1,619.50 and (iii) Xiaoming Wang (Flat 7) : £1,881.07

11. The leases require the tenants to pay rent and service charges without deduction or set-off (clause 2(i) Clause 2(vii) allows the recovery of enforcement costs which will be considered later in connection with Administration Costs).

12. The Fourth Schedule in the lease sets out Service Charge definitions and machinery.

In this Schedule:

(1) "Expenditure on Services" means the expenditure of the landlord in complying with his obligations set out in the Sixth Schedule including interest paid on any money borrowed,

- (2) "Service Charge" means **one eighth** part of the expenditure on services.
- (3) "**Interim Service Charge Instalment**" means **payment on account of Service Charge of One hundred and fifty pounds (£150) per annum until service of the first Service Charge Statement and thereafter of one eighth of the service charge shown on the Service Charge statement last served on the Tenant.**
- (4) "Service Charge Statement" means an itemised statement of:
- a. The expenditure on services for a year (or on the first occasion a shorter period) ending on the Twenty-fifth day of December
 - b. The amount of the Service Charge due in respect thereof (any apportionment necessary at the beginning or end of the term hereby granted shall be made on the assumption that the expenditure on services is incurred at a constant daily rate) and
 - c. Sums to be credited against that Service Charge being the Interim Service Charge Instalments paid by the Tenant for that year or period and any Service Charge excess from the previous year or period accompanied by a certificate that in the opinion of the Accountant preparing it the statement is a fair summary of the expenditure on services set out in a way which shows how it is or will be reflected in the Service Charge and if sufficiently supported by accounts receipts and other documents that have been produced by him.
- (5) "Service Charge Deficit" means the amount by which the Service Charge shown on a Service Charge Statement exceeds any credit shown thereon
- (6) "Service Charge Excess" means the amount by which any credit shown on a Service Charge Statement exceeds the Service Charge thereon

2. The Landlord shall keep a detailed account of the expenditure on services and shall procure that a Service Charge Statement is prepared for every such year or period by an independent member of the Institute of Chartered Accountants in England and Wales to whom the Landlord shall furnish all accounts and vouchers and afford all facilities necessary for that purpose.

3. The Landlord shall as soon as he receives each Service Charge Statement serve it on the Tenant by sending him a copy thereof.

4. On the Twenty Fifth day of December in every year the Tenant shall pay to the Landlord an interim Service Charge Instalment.

5. Forthwith upon service on him of the Service Charge Statement the Tenant shall pay to the Landlord any service charge deficit shown thereon.

6. Forthwith upon receipt of the final Service Charge Statement for the term hereby granted (howsoever determined) the Landlord shall pay to the Tenant any service charge excess shown thereon.

7. Every Service Charge Statement shall be conclusive as to the information shown thereon.

8. If and so often as the Landlord is requested under Schedule 19 to the Housing Act 1980 to supply information about the expenditure on services or the service compliance with that request shall be deemed to fulfil the duty hereunder of the Landlord to supply any information or accounts relating to the same period.

13. The Tribunal have highlighted the most relevant clauses in the lease. The Interim Service Charge Instalment is essentially a budget for the forthcoming year and must be one eighth of the Service Charge Statement to be paid on the 25 December. The lease is silent on the date the Interim Service Charge Instalment must be served.
14. The amounts demanded are based upon a budget prepared by Uniq Block, managing agents for the Applicant and not the Service Charge Schedule. In addition, the service charge contribution is based on a historic formula devised by the previous managing agent. This is slightly less than one-eighth of the total service charge expenditure and the percentage for each flat is shown in a schedule on page 17 of the bundle. This formula was calculated because five additional flats were added to the property after 2014. To reflect this, the RTM has continued this adjusted apportionment model adopted by the freeholder. Under this model, costs attributable to the newer flats are first allocated to those units, and the remaining expenditure is then divided equally between the original eight flats. This results in each original flat paying less than one-eighth of the total and the total is 100%.
15. Initial demands were issued on the 28 May 2025 and a revised demand was served on 28 July 2025 for Flat 7. This was based upon the last certified Service Charge Statement for the year ending 31 December 2022 which was certified by a Chartered Accountant in October 2023 being in accordance with the lease and served by the previous managing agent. This was undertaken due to concerns about compliance with the certification requirements under the lease. A belt and braces if you will.
16. The Applicant seeks a determination that the sums demanded from each of the respondents are properly payable under the leases.

The Applicant's case

17. The Applicant expanded on his Skeleton Argument stating that the lease defines the Interim Service Charge Instalment as £150 pa until service of the first Service Charge Statement and thereafter one eighth of the service charge shown on the certified statement last served.
18. Schedule 4 provides that the Interim Instalment must be paid by the 25 December each year and it does not prescribe the timing of the demand.

19. The lease does not state that an Interim Instalment is only payable if a new certified Service Charge Instalment has been first prepared and served the previous year, nor that the interim demand must even be accompanied by a current certified statement. The interim instalment is calculated by reference to the last served Service Charge Statement and not necessarily that from the immediately preceding year.
20. The Respondents' construction is that no interim instalment is payable until an up-to-date compliant certified Service Charge Statement has been served for each intervening year. This would deprive the interim mechanism of practical effect and is completely inconsistent with the concept of the workings of the lease. Without interim cashflow the Applicant cannot fund services, essential works or insurance of the building.
21. The 2022 Statement was certified and served on the tenants in 2023 by the previous managing agent. This was an itemised statement accompanied by the accountant's certificate.

The Respondents' case

21. Mr Wang submitted that the Interim Service Instalment claimed by the Applicant is not payable because it does not conform to the strict requirements set out in the Fourth Schedule of the 1988 lease.
22. The Respondents' core argument is that for the Interim Service Charge Instalment to be payable the Applicant must serve a certified Service Charge Statement for the preceding year and not the 2022 Statement. Therefore, the tenants are only liable to pay the sum of £150 as stated in Clause 1(3) of the lease.
23. This is the sum or thereabouts, the Respondent has been paying in previous years and in fact he has offered to pay £150 for payment of the 2025 Interim Service Charge Instalment.
24. A reliance on the 2022 Interim Service Charge Instalment rather than a preceding year 2024 is in breach of the lease. In conclusion, the Interim Instalment is only payable if they are tied to the immediately prior year and only after a certified Service Charge Statement has been prepared for that year.
25. The Respondents' second argument was that the 2022 Service Charge Statement is not compliant. It does not provide references to a deficit or excess in order to calculate a final balancing payment in accordance with the lease.
26. The Respondents' final argument was that following the construction of the additional five flats and the grant of the later leases in a different form breaches the covenants of the 1988 lease and makes the service charge accounting mechanism impossible to operate.
27. He submits, the only way forward is for a variation of the leases in order to provide a workable apportionment.

The tribunal's decision

28. The Interim Service Charge Instalment for the year ending 31 December 2025 is recoverable but not currently payable.

Reasons for the tribunal's decision

29. The lease is the primary source of evidence as to the intention of the parties to the lease and the means by which service charges are calculated and served under the Act. When considering the wording of the lease, the Tribunal adopts the guidance given to it by the Supreme Court.

Arnold v Britton and others [2015] UKSC 36 Lord Neuberger:

“15. When interpreting a written contract, the court is concerned to identify the intention of the parties by reference to “what a reasonable person having all the background knowledge which would have been available to the parties would have understood them to be using the language in the contract to mean”, to quote Lord Hoffmann in *Chartbrook Ltd v Persimmon Homes Ltd* [2009] UKHL 38, [2009] 1 AC 1101, para 14. And it does so by focussing on the meaning of the relevant words, in this case clause 3(2) of each of the 25 leases, in their documentary, factual and commercial context. That meaning has to be assessed in the light of (i) the natural and ordinary meaning of the clause, (ii) any other relevant provisions of the lease, (iii) the overall purpose of the clause and the lease, (iv) the facts and circumstances known or assumed by the parties at the time that the document was executed, and (v) commercial common sense, but (vi) disregarding subjective evidence of any party's intentions”.

30. Paragraph 1(3) of the Fourth Schedule of the 1988 Lease defines the ‘Interim Service Charge Instalment’ as, ‘*a payment on account of Service Charge of One hundred and fifty pounds (£150) per annum until service of the first Service Charge Statement and thereafter of one eighth of the Service Charge shown on the Service Charge Statement last served on the Tenant*”
31. The Tribunal finds that the service of the Interim Service Charge Instalment is not conditional upon the interim demand being accompanied by a certified Service Charge Statement. Further, the contractual requirement is that the interim instalment is calculated by reference to the Service Charge statement **last served**, this being the 2022 Statement. There is nothing in the clause to suggest that this must be the preceding year's Statement.
32. However, where the serving of the Interim Service Charge Instalment does fall down is that it is based upon a service charge budget prepared by the

managing agents and the revised percentage contributions. The clause specifically states this must be one eighth of the Service Charge shown in the Service Charge Statement, (the 2022 Statement)

33. This defect in the Interim Service Charge Instalment can be remedied as it is always open to the Applicant to serve a further Interim Instalment with these revisions.
34. With regard to the Respondents' argument in connection with the non-compliance of the Service Charge Statement. The Tribunal finds that there is nothing in the evidence before it to suggest that the accounts did not constitute a 'fair summary' of the expenditure, as required by the 1988 Lease.
35. The Application also seeks a determination as to whether under Schedule 11 to the Commonhold and Leasehold Reform Act 2002, administration charges are payable. In his statement of case the Applicant relies on clause 2(vii) "*to pay all costs (including solicitors costs and surveyors fees) incurred by the landlord of and incidental to the preparation and service of (a) A notice under Section 146 of the Law of Property Act.*"
36. This is a standard forfeiture clause in the lease and the Tribunal finds that no fees are payable under this clause, as such fees were not incidental or incurred in connection with a Forfeiture Notice.
37. Although this application was not in connection with the variation of the leases it may be of some assistance if we indicated that in our view perhaps the way forward would be to deal with the leases on the following basis. The apportionments could perhaps be split as follows:...

The leases for flats 9a,b,c and d specify that each is to pay 25% of 1/8 of the total service charge and there is no ability for the landlord to vary this.

If those 4 flats pay 3.125% each therefore, 87.5% remains to be split between the remaining 9 flats. An equal proportion would be 9.722% each.

The lease for flat 10 allows the landlord to set a fair and reasonable proportion; there is no fixed % that must be adhered to.

Alternatively, and given that the flats vary in size, it might be more equitable for the proportions to each be based upon floor areas.

38. During the hearing it became abundantly apparent to the Tribunal that the management of this property has had a difficult past history. It is for these reasons the RTM Company has been set up in an to attempt to resolve the catalogue of previous disputes. The Tribunal commends Mr Gordon for his efforts to date. It is clear he has the best of intentions for the maintenance and management of the building. This is now the third hearing at this Tribunal within ten years. The Tribunal would certainly urge the parties to reach a resolution and a mutually beneficial way forward.

Name: D Jagger MRICS

Date: 17 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).

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

Name: Judge Pittaway

Date: 11 October 2023

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.

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