



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

Case reference : HAV/00LC/LSC/2025/0730

Property : 112B Wakeley Road, Rainham, Kent, ME8 8NP

Applicant : Richard Lee

Representative : Lancers Solicitors

Respondent : (1) Karen Morvay
(2) John Chapman

Representative : Litigants in person

Type of application : Determination of liability to pay and
reasonableness of service charges Section 27A
Landlord and Tenant Act 1985

Tribunal Members : Tribunal Judge Elizabeth Bowden

Venue : Havant Justice Centre
Paper Determination

Date of Hearing : 22 April 2026

Date of decision : 07 May 2026

DECISION

Summary of Decision

- (1) The Tribunal determined that the respondents have no right to recover either rent or service charge debts (if any) from before 26 April 2024.

- (2) The Tribunal determined that the email dated 06 May 2024 at RL2 [49] (the “Purported Demand”) was neither a valid service charge demand nor a valid rent demand.
- (3) The Tribunal determined that the respondents’ demand for an interim service charge instalment of £125 per month was not a sum the respondents could reasonably require under the lease.
- (4) The Tribunal determined that the respondents did not comply with the consultation requirements of s.20 LTA 1985 with regard to the roof works; therefore, the respondents, as landlords, are limited to recovering £250 from the applicant
- (5) The Tribunal determined that the respondents shall reimburse any Tribunal fees paid by the applicant within 28 days of the date of this decision
- (6) The Tribunal granted the applicant’s application under s.20C of the LTA 1985 and paragraph 5A of Schedule 11 to the CLRA 2002.

Introduction

1. The applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“LTA 1985”) as to the amount of service charges payable by the applicant in respect of the service charge years 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025.
2. The matter relates to Flat 112B a leasehold property within 112 Wakeley Road, Rainham, Gillingham ME8 8NP (“112 Wakeley Road”).
3. The applicant is Richard Lee (the “applicant”). The applicant is represented by Mr Ahmed of Lancers Solicitors. The applicant is the long leaseholder of 112b Wakeley Road, having acquired it in July 2017.
4. The respondents are Karen Morvay and John Chapman, who reside at 112c Wakeley Road, and who hold the freeholder interest of 112 Wakeley Road (the “respondents”). The respondents acquired the freehold interest in 112 Wakeley Road on 26 April 2024. The respondents are the long leaseholders of flat 112c Wakeley Road.
5. The Tribunal had the benefit of a 147-page hearing bundle. Page references to the hearing bundle are [XX].

Background

6. 112 Wakeley Road is a block of flats built between 1983 and 1990. The block has the benefit of a garage; this is located on the ground floor of the block. There are three flats in total in 112 Wakeley Road, Flats 112a, 112b and 112c. Flat 112a is not a party to this application.
7. The lease for Flat 112b and the variation (dated 30 June 2017) are before the Tribunal; the lease contains service charges provisions in Schedule 4. The relevant provisions of the leases are set in Schedule 1 below.
8. The applicant made an application to the Tribunal for the determination of service charges. The application is dated 09 June 2025 but was received by the Tribunal on 14 July 2025. The application relates to the following issues and associated charges, as set out in the application form and summarised in the table below. By the 05 December 2025 directions order [118] para 8 [119] para 19, the application was extended to include the 2025 service charge year.

Application	Items of service charge that are in issue (or relevant) and their value	Description of the question(s) you wish the Tribunal to decide
2018 [15] 2019 [16] 2020 [17] 2021 [23] 2022 [26] 2023 [27]	No service charge demand was issued. No annual budget or certified accounts were provided by the then-freeholder. The current Freeholder has demanded backdated payments	1. Is any service charge payable by the Applicant in the absence of a demand or certified service charge accounts in accordance with the lease? 2. Can the current freeholders lawfully pursue historical charges from this period based on the documents provided? 3. Is the Freeholder's email demanding payment dated 6th May 2024 legally valid?
2024 [28] para 8 [118] para 19 [119]	The current Freeholders took ownership in 2024. A service charge of £125.00 per month has been demanded by email from June 2024 onwards. A service charge of £125.00 per month has been demanded by email from June 2024 onwards The Freeholders originally claimed backdated service charges from 2015, however, this was challenged they have now demanded payment for backdated service charges for the previous 18 months. A service charge demand, budgets or evidence of expenditure have not been provided.	1. Whether the current freeholders are entitled to recover backdated service charges for the 18 months prior to June 2024, in light of Section 20B of the Landlord and Tenant Act 1985 and the absence of proper demands or supporting documents. 2. Whether the monthly service charge of £125 from June 2024 onwards is reasonable and lawfully due, considering no budget accounts, or proper demands have been provided in accordance with the lease or Sections 47 and 48 of the Landlord and Tenant Act 1987. 3. Whether the cost of the roof works carried out in 2024 is recoverable from the Applicant beyond the statutory cap of £250 in the absence of a Section 20 consultation or Tribunal dispensation.

9. On 28 October 2025, the Tribunal wrote to the respondents informing them that they had been named as respondents and enclosing the 27 October 2025 Directions, these included listing the application for a case management and dispute resolution hearing on 05 December 2025 at 2:00 pm
10. On 05 December 2025, a remote Case Management and Dispute Resolution hearing was held. On 05 December 2025, the case management hearing was initially attended by Richard Lee for the Applicant and later joined by Mr John Chapman for the Respondent. Directions were agreed before Mr Chapman joined and relayed to Mr Chapman after he joined the remote hearing. Mr Chapman was urged by the Tribunal to seek independent legal advice. After the case management hearing, the Tribunal issued a Directions Order, which recorded that the applicant further disputed the service charges in the years 2024 and 2025.
11. By the 05 December 2025 directions, the following was required of the parties:
 - a. By 9 January 2026, the respondents would send to the applicant any service charge accounts, supporting invoices and demands in relation to the service charge years ending 23 June 2018 through to 23 June 2025.
 - b. By 23 January 2026, the applicant shall send to the respondents their witness statement and their evidence.
 - c. By 06 February 2026, the respondents were to send their witness statement and their evidence.
 - d. By 13 February 2026, the applicant was to send his reply to the respondent's case.
12. In the event that the case was to be determined on the papers, the parties were required to include written representations on:
 - a. Reimbursement of Tribunal fees
 - b. Section 20C application preventing the landlord from recovering the costs of the proceedings through the service charge
 - c. Para 5A Schedule 11 application preventing the landlord from recovering litigation costs from a tenant.

The Hearing

13. The case was listed on 22 April 2026 for paper determination. The Tribunal read the hearing bundle, which included the application form, the lease RL1 [30-48], and the applicant's statement of case [134-143] and the applicant's exhibits RL1-16 [28-93].

The applicants' position

14. The applicant's statement of case [134-143] sets out his position; he relies on the evidence contained within exhibits RL1-16 [28-93]. The applicant's case regarding the service charges can be summarised as follows:
- a. The respondents have not made any valid service charge demands, therefore no service charges are due.
 - b. Even if they had, the 18-month rule applies to the majority of the service charge years.
 - c. Any qualifying works are limited to £250 due to the respondents' non-compliance with the s20 process.

The respondents' position

15. The respondents did not comply with the 05 December 2025 directions, and no witness statement(s) or evidence have been sent to the Tribunal.
16. The Tribunal is satisfied that the respondents were aware of their obligations under the 05 December 2025 directions order because i) Mr Chapman attended the hearing and the directions were relayed to him, and ii) the Tribunal sent the directions to the respondents via their email addresses. The Tribunal's email addresses for the respondents are in the applicants' exhibits, where the respondents have used these email addresses to communicate with the applicant and the applicant's legal representative.

The Lease

17. The lease for 112b Wakeley Road is registered under the Land Registry title number K709479 (the "Lease").
18. Under the Lease, there are service charge provisions, the key sections are set out in full in Schedule 1, but are set out in summary below:
- 2.1 The tenant is to pay the landlord the rent on the days and in the manner prescribed [35]
 - Schedule 4 (Service Charge) sets out the service charge mechanism [41]
 - S4(1) defines relevant terms including:

- Expenditure on services – expenditure of the Landlord in complying with his obligations set out in the said Sixth Schedule, including interest passing on any money borrowed for that purpose, but after deducting a contribution received from the Tenant of Garage Number 1.
 - Service Charge – one-third of the expenditure on services
 - Interim service charge instalment – payment on account of service charge of fifty pounds (£50.00) per quarter, or such higher amount as the Landlord may reasonably require.
 - Service charge statement – an itemised statement of expenditure on services for the year, the service charge due and any credits for interim payments.
- S4(2) The landlord is obliged to keep a detailed account of expenditure on services, and the landlord will procure a service charge statement every year or period by an independent member of the Institute of Chartered Accountants in England and Wales.
 - S4(4) the tenants will pay the landlord an interim service charge every quarter day
 - S4(5) when served with a service charge statement, the tenant will pay any deficit

The Law

Service charge s18 LTA 1985

19. LTA 1985 defines service charge in s18.

“18 Meaning of “service charge” and “relevant costs”

(1) In the following provisions of this Act “service charge” means an amount payable by a tenant of a dwelling as part of or in addition to the rent –

(a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord’s costs of management, and

(b) the whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose –

(a) “costs” includes overheads, and

(b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.”

Limitation of service charges time limit s20B

20. S20B of the LTA 1985 provides

20B.— Limitation of service charges: time limit on making demands.

(1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.

(2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Notice to accompany demands for service charges s21B LTA 1985

21. s21B(1) LTA 1985 says that demand for the payment of a service charge must be accompanied by a summary of the rights and obligations of tenants of dwellings in relation to service charges.

Liability to pay service charges s.27A LTA 1985

22. The Tribunal has the power to determine service charges under s.27A of the LTA 1985. The Tribunal's jurisdiction is limited by s.27A(4).

Sections 47 & 48 LTA 1987

23. s.47 and s.48 of the Landlord and Tenant Act 1987 (“LTA 1987”) say:

47.— Landlord's name and address to be contained in demands for rent etc.

(1) Where any written demand is given to a tenant of premises to which this Part applies, the demand must contain the following information, namely—

(a) the name and address of the landlord, and

(b) if that address is not in England and Wales, an address in England and Wales at which notices (including notices in proceedings) may be served on the landlord by the tenant.

(2) Where—

(a) a tenant of any such premises is given such a demand, but

(b) it does not contain any information required to be contained in it by virtue of subsection (1), then (subject to subsection (3)) any part of the amount demanded which consists of a service charge or an administration charge]¹ (“the relevant amount”) shall be treated for all purposes as not being due from the tenant to the landlord at any time before that information is furnished by the landlord by notice given to the tenant.

(3) The relevant amount shall not be so treated in relation to any time when, by virtue of an order of any court [or tribunal]², there is in force an appointment of a receiver or manager whose functions include the receiving of service charges or (as the case may be) administration charges from the tenant.

(4) In this section “demand” means a demand for rent or other sums payable to the landlord under the terms of the tenancy.

48.— Notification by landlord of address for service of notices.

(1) A landlord of premises to which this Part applies shall by notice furnish the tenant with an address in England and Wales at which notices (including notices in proceedings) may be served on him by the tenant.

(2) Where a landlord of any such premises fails to comply with subsection (1), any rent[, service charge or administration charge otherwise due from the tenant to the landlord shall (subject to subsection (3)) be treated for all purposes as not being due from the tenant to the landlord at any time before the landlord does comply with that subsection.

(3) Any such rent, service charge or administration charge shall not be so treated in relation to any time when, by virtue of an order of any court or tribunal, there is in force an appointment of a receiver or manager whose functions include the receiving of rent, service charges or (as the case may be) administration charges from the tenant.

166 Requirement to notify long leaseholders that rent is due

(1) *A tenant under a long lease of a dwelling is not liable to make a payment of rent under the lease unless the landlord has given him a notice relating to the payment; and the date on which he is liable to make the payment is that specified in the notice.*

(2) *The notice must specify—*

(a) the amount of the payment,

(b) the date on which the tenant is liable to make it, and

(c) if different from that date, the date on which he would have been liable to make it in accordance with the lease,

and shall contain any such further information as may be prescribed.

(3) *The date on which the tenant is liable to make the payment must not be—*

(a) either less than 30 days or more than 60 days after the day on which the notice is given, or

(b) before that on which he would have been liable to make it in accordance with the lease.

(4) *If the date on which the tenant is liable to make the payment is after that on which he would have been liable to make it in accordance with the lease, any provisions of the lease relating to non-payment or late payment of rent have effect accordingly.*

(5) *The notice—*

(a) must be in the prescribed form, and

(b) may be sent by post.

(6) *If the notice is sent by post, it must be addressed to a tenant at the dwelling unless he has notified the landlord in writing of a different address in England and Wales at which he wishes to be given notices under this section (in which case it must be addressed to him there).*

(7) *In this section “rent” does not include—*

(a) a service charge (within the meaning of section 18(1) of the 1985 Act), or

(b) an administration charge (within the meaning of Part 1 of Schedule 11 to this Act).

(8) In this section “long lease of a dwelling” does not include—

(a) a tenancy to which Part 2 of the Landlord and Tenant Act 1954 (c. 56) (business tenancies) applies,

(b) a tenancy of an agricultural holding within the meaning of the Agricultural Holdings Act 1986 (c. 5) in relation to which that Act applies, or

(c) a farm business tenancy within the meaning of the Agricultural Tenancies Act 1995 (c. 8).

(9) In this section—

“dwelling” has the same meaning as in the 1985 Act,

“landlord” and “tenant” have the same meanings as in Chapter 1 of this Part,

“long lease” has the meaning given by sections 76 and 77 of this Act, and

“prescribed” means prescribed by regulations made by the appropriate national authority.

Limitation of service charges: consultation requirements s.20

24. For qualifying works, the landlord must comply with the Service Charges (Consultation Requirements) (England) Regulations 2003. If requirements are not met and no dispensation is granted under s.20ZA, the landlord’s recovery is limited to £250 per tenant (Reg. 6).

Findings and Reasons

25. Having read the evidence and submissions from the parties and considered all of the documents provided, the Tribunal has made determinations on the issues as follows.

Service Charges 2018-2024:

26. The respondents did not obtain the freehold interest until 26 April 2024. There is no evidence that the right to recover either service charge debt or rent debts (if any) incurred before 26 April 2024 was expressly assigned to the respondents.

27. On the evidence before the Tribunal, the Tribunal finds that the respondents have no right to demand either rent or service charges prior to their acquisition of the freehold on 26 April 2024. The respondents do have the right to rent and service charges from 26 April 2024, subject to compliance with the Lease and statute.

Service charges and rent 26 April 2024 – 23 June 2024

28. The service charge year runs from 24 June to 23 June. The email dated 06 May 2024 at RL2 [49] (the “Purported Demand”) contains demands for service charges and rent. This email comes from the first respondent’s email address; on its face, it is unclear whether it was sent to the applicant. In any event, the applicant accepts that he received it.

29. The Purported Demand on 06 May 2024 contains a service charge demand for Flat 112b for £4,000 for a one-off payment for the years 2015-2024. The respondents would be entitled to demand rent and service charges for the period 26 April 2024 – 23 June 2024. The wording in the Purported Demand is unclear as to whether the £4,000 one-off payment for the years 2015-2024 includes rent and service charges.

Statutory compliance service charge demand

30. The Purported Demand is not a valid service charge demand because:

- a. It does not comply with s47 and s48 of the LTA 1987.
 - i. There is no evidence that the respondents provided their address to the applicant when they became the landlord as required under s.48 LTA 1987.
 - ii. The Purported Demand does not contain the name and address of the landlord as per s.47 LTA 1987.
- b. The Purported Demand does not contain a summary of the rights and obligations of tenants of dwellings in relation to service charges mandated by s.21B, LTA 1985
- c. The Purported Demand itself is not a ‘service charge statement’ as defined by the Lease Sch 4, nor does it contain/attach a ‘service charge statement’.

S.20B LTA 1985

31. Even if it were a valid service charge demand, the Tribunal is satisfied that s.20B LTA 1985 would apply to service charges incurred more than 18

months before the Purported Demand for payment of the service charge, i.e. service charges incurred before 06 November 2022.

32. There is no evidence that the applicant was notified in writing within the relevant 18-month period that the costs had been incurred and that the applicant would be required under the Lease to contribute to them.

Compliance with the Lease

33. Even if the Tribunal was wrong about statutory compliance and s.20B LTA 1985 above, under the terms of the Lease, the applicant is not required to pay the 'service charge deficit' as defined by the Lease until he is served with a valid service charge statement:

a. A service charge statement is a valid service charge statement under the Lease, if it is an itemised statement of the annual expenditure, sets out what is due, and credits any sums paid by way of interim service charge instalment, see Sch 4(1)(ii)(iv).

b. The landlord is also required to procure a service charge statement prepared by an independent member of the Institute of Chartered Accountants in England and Wales, see Sch 4(1)(ii)(iv).

34. Under Sch 4(5) once a service charge statement (which is a defined phrase) is served on the tenant, then the tenant must pay any deficit forthwith.

35. The Purported Demand is not a valid service charge statement because:

a. There is no itemised statement, see Sch 4(1)(ii)(iv).

b. There are no annual accounts prepared by an independent member of the Institute of Chartered Accountants in England and Wales, see Sch 4(2).

36. The Tribunal finds that until a valid service charge statement is served on the applicant, the applicant is not required to pay the service charge deficit; see Sch 4(5).

Interim service charge instalment 2024

37. The applicant is required to pay an interim service charge instalment every quarter; no service charge statement is required. The service charge deficit is paid forthwith upon service of the service charge statement, thereby zeroing the service charge account. The interim service charge instalment is then paid until the next service charge statement is served, and the account is again zeroed by the payment of the service charge deficit.

38. The Lease does not require a budget forecast of expenditure in the forthcoming service charge year to determine the interim service charge instalment. The Lease provides that the interim service charge instalment is £50 per quarter (£200 pa), or such higher amount as the landlord may reasonably require. The Lease does not set out what is 'reasonable' in these circumstances.
39. The applicant requested that the respondents provide him with a budget (requested by himself [65] and his representative [82]) to understand the significant increase in the interim service charge instalment. The respondents state in their email of 20 December 2025 [80] that there will not be a breakdown [81].
40. The Tribunal finds that the respondents' Purported Demand for an interim service charge instalment of £125 per month (£1,500 pa), representing a 650% increase over the Lease requirement, without any explanation or budget, is not a sum the respondents can reasonably require under the Lease. Furthermore, the Lease provides that interim service charge instalment payments are paid per quarter; it does not provide for monthly payments.

Rent 2024

41. Assuming that the £4,000 sum demanded in the Purported Demand contains rent. There is no evidence of a s.166 CLRA 2002-compliant rent demand in the prescribed form.
42. The Tribunal finds that the respondents' Purported Demand for rent is not valid.

Service charges, interim service charge instalment and rent 2025

43. Insofar as the respondents may seek to rely on the Purported Demand as a service charge and or rent demand for 2025. For the reasons stated above, the Purported Demand is not a valid demand for either service charges or rent.
44. The applicant remains obligated under the Lease to pay the interim service charge instalment at £50 per quarter or such higher payment as the landlord may reasonably require, albeit the Tribunal has determined on the facts of this case that an interim service charge instalment of £125 pcm is not reasonably required.

Roof Works – as qualifying works

45. The Respondents' email of 22 October 2024, RL8 [72] asserts that works to soffits/fascia boards/guttering/downpipes/roof were carried out at a total cost of £8,545 and that the Applicant's one-third share would be £2,848.
46. These are 'qualifying works' under s20 LTA 1985 as the applicant would have to pay over £250.
47. There is no evidence of the s20 LTA 1985 process being followed by the respondents. There is no application for dispensation by the respondents under s.20ZA to be considered.
48. The Tribunal finds that the respondents did not comply with the consultation requirements of s.20 LTA 1985 with regard to the roof works; therefore, the respondents, as landlords, are limited to recovering £250 from the applicant.

Any sums paid under protest

49. The Tribunal notes that the applicant has paid sums under protest. The respondents will need to account for any sums they have received in light of the Tribunal's determination.

Section 20C Application and Refund of Fees

Application

50. The applicant ticked the box on the s.27A LTA 1985 application form to indicate they wished to apply for costs limitation orders under s.20C LTA 1985 and under para 5A of Sch.11 to CLRA 2002.
51. Similar principles apply to both applications. The case law is summarised in Conway v Jam Factory [2013] UKUT 0592 (LC) at [51] to [58]. In Schilling v Canary Riverside Development PTE Ltd (2006) LRX/26/2005, HHJ Rich stated at [14] that:

“In service charge cases, the “outcome” cannot be measured merely by whether the Applicant has succeeded in obtaining a reduction. That would be to make an Order “follow the event”. Weight should be given rather to the degree of success, that is the proportionality between the complaints and the Determination, and to the proportionality of the complaint, that is between any reduction achieved and the total of service charges on the one hand and the costs of the dispute on the other hand.”

52. The applicant also ticked the box on his application seeking an order under Rule 13(2) for the Tribunal to order that any Tribunal fees paid by a party must be reimbursed by another party.

Background

53. The applicant has succeeded in his s.27A application. The applicant included written submissions on s.20C/Sch 11 and Rule 13(2) as per the directions.
54. The applicant has attempted to avoid applying to the Tribunal by engaging with the respondents both himself and via a solicitor. The applicant's legal representative encouraged the respondents to get legal advice. The respondents either failed to engage in the process (pre- and post-application) or refused to do so, and further, they have not provided basic documentation when reasonably requested.
55. The respondents did not file any statement of case or any evidence. Nor did they take the opportunity to make written submissions on the s.20C/Sch 11 and Rule 13(2) application.

Determination

56. The Tribunal determines that it is just and equitable in the circumstances for an order to be made under s.20C of the LTA 1985 and paragraph 5A of Schedule 11 to the CLRA 2002, stopping the respondents from passing on any of its costs incurred in connection with the proceedings before the Tribunal through the service charge, and/or administration charges to the applicant.
57. Further, the Tribunal orders the respondents to reimburse the applicant for any Tribunal fees paid by the applicant within 28 days of the date of this decision. The applicant is to provide details within 7 days of this order.

Name: Tribunal Judge Elizabeth Bowden **Date:** 07 May 2026

Schedule 1 – Lease Key Clauses and Schedules

(emphasis supplied)

Preamble

(£50.00) aforesaid AND YIELDING AND PAYING such sums of service charge as are payable in accordance with the provisions of the Fourth Schedule hereto

2. THE TENANT HEREBY COVENANTS with the Landlord as follows:-

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Clause 2(1)

(1) To pay the rent hereby reserved on the days and in the manner aforesaid without any deduction whatsoever

(2) To pay all rates taxes and outgoings in respect of the demised premises including any imposed or becoming payable after the date hereof and whether Parliamentary local or otherwise

(3) Not to

Schedule 4

THE FOURTH SCHEDULE above referred to

(Service Charge)

(1) In this Schedule:-

(i) "Expenditure on services" means the expenditure of the Landlord in complying with his obligations set out in the said Sixth Schedule including interest paid on any money borrowed for that purpose but after deducting any contribution received from the Tenant of Garage Number 1

(ii) "Service Charge" means one third of the expenditure on services

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(iii) "Interim service charge instalment" means a payment on account of service charge of Fifty pounds (£50.00) per quarter or such higher payment as the Landlord may reasonably require

(iv) "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 third day of June

(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 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 is sufficiently supported by accounts receipts and other documents that have been produced to him

(v) "Service charge deficit" means the amount by which the service charge shown on a service charge statement exceeds any credits shown thereon

(vi) "Service charge excess" means the amount by which any credits shown on a service charge statement exceed the service charge shown 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 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 such service charge statement serve it on the Tenant by sending him a copy thereof

(4) On every quarter day the Tenant shall pay to the Landlord an interim service charge instalment

(5) Forthwith upon service on him of a 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 the information shown thereon

(8) If and so often as the Landlord is requested under Section 21 of the Landlord and Tenant Act 1985 to supply information about the expenditure on services or the service charge 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

THE FIFTH SCHEDULE above referred to

RIGHTS OF APPEAL

1. A written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case at the Regional office which has been dealing with the case by email at rpsouthern@justice.gov.uk.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the date this decision is sent to the parties.
3. 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.
4. The application for permission to appeal must state the grounds of appeal and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.