



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

Case reference : **LON/00AH/LUS/2025/0002**

Property : **Great Norwood House, 82, Crown Dale, London, SE19 3NX**

Applicant : **Great Norwood House RTM Company Limited**

Representative : **Mr. S Gallagher – Counsel**
Ms Katalin Bauko

Respondent : **Assethold Limited**

Representative : **Eagerstates Limited**

Type of application : **To determine the amount of any accrued uncommitted service charges to be paid under section s.94(3) of the Commonhold and Leasehold Reform Act 2002**

Tribunal members : **Judge Dutton**
Mr P Joseph MRICS

Date of hearing : **13 May 2026 at 10 Alfred Place, London WC1E 7LR**

Date of Decision : **18 May 2026**

DECISION

- (1) The tribunal determines under section 94(3) that the total estimated sum of uncommitted services charge is £42,006.42**
- (2) The tribunal directs that this sum shall be passed over to the Applicant within 14 days of the date of this decision.**

Background

- (1) By an order dated 29 January 2025 the Tribunal found that the Applicant, Great Norwood House RTM Company Limited, had acquired the right to manage by operation of law on 13 August 2024.
- (2) By an application dated 4 March 2025 the Applicant applied under section 94(3) of the Commonhold and Leasehold Reform Act 2002 ('the Act') for a determination of the sum of accrued uncommitted service charges (being the aggregate of the sums for those matters set out at section 94(2) of the Act), payable by the Respondent to the Applicant at the date of acquisition of the right to manage, pursuant to section 94(1) of the Act.
- (3) By amended directions dated 20 January 2026 the Tribunal made the third directions order which this time debarred the Respondent from contesting these proceedings but required it to comply with the directions made on that date. It also warned the Respondent's representative that failure to attend the hearing on 13 May 2026 would result in a referral to the Upper Tribunal. The Respondent was not represented at the hearing and failed to provide any of the documentation set out in the amended directions of 20 January 2026.

Hearing

1. At the hearing on 13 May 2026 the Applicant was represented by Mr Gallagher of Counsel accompanied by Ms Bauko, a leaseholder and member of the RTM company.
2. At the start of the hearing, we were handed three bundles of papers and a short skeleton argument setting out the law and submissions on s94 of the Act. The bundles were headed Accounts, Evidence of payments and service charge invoices and finally Supporting documents. These were in addition to the bundle of papers we had been supplied with prior to the hearing by Leasehold Advice Centre (Mr Bazin) which included a statement and further particulars.
3. We were told that Assehold Limited took over the management of the Property from 2 January 2024, this being evidenced by a letter from Amphlett Lissimore dated 2 January 2024 confirming the sale by Crowndale Developments (London) Limited to the Respondent. It seems that registration of title has yet to be completed, although Mr Gallagher took no point that the Respondent was not entitled to recover services charges notwithstanding the lack of completion of registration of title.
4. We were told that all estimated service charges and actual charges for the year ending December 2024 had been paid by the leaseholders and that in addition the leaseholders had paid the estimated service charges for the year ending December 2025. By reference to a statement of account produced by Martin+Heller chartered accounts (MH) on 3 December 2024 for the year ending December 2024 the actual sums claimed amount to £25,540.79.

5. In respect of the estimated services charges for the following year, that is to say January 2025 to December 2025, by a demand, in the copy before us at page 66 of the bundle, the sum of £22,386.26 was claimed as being due.
6. There is no dispute as to the service charges demanded and paid in the period prior to the involvement of Assethold Limited.
7. Ms Bauko and Mr Gallagher took us through the papers and in particular the invoices that had been supplied by the respondent's managing agents, Eagerstates. The Applicant's case was simply that for costs prior to the date of acquisition of the right to manage the only issue for us to determine was what some represented the legitimate sums expended by the Respondent on service charge expenditure up to 13 August 2024. To assist in this venture, we relied on the accounts produced by MH and on the attached schedule we set out the sums we consider constitute legitimate service charge payments.
8. In respect of the estimated demand for the following year, it was asserted that the Respondent had to repay the total amount demanded, and paid by the leaseholders, of £22,386.26.

The law

S94 Duty to pay accrued uncommitted service charges

(1)Where the right to manage premises is to be acquired by a RTM company, a person who is—

(a)landlord under a lease of the whole or any part of the premises,

(b)party to such a lease otherwise than as landlord or tenant, or

(c)a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises, must make to the company a payment equal to the amount of any accrued uncommitted service charges held by him on the acquisition date.

(2)The amount of any accrued uncommitted service charges is the aggregate of—

(a)any sums which have been paid to the person by way of service charges in respect of the premises, and

(b)any investments which represent such sums (and any income which has accrued on them),

less so much (if any) of that amount as is required to meet the costs incurred before the acquisition date in connection with the matters for which the service charges were payable.

(3)He or the RTM company may make an application to the appropriate tribunal to determine the amount of any payment which falls to be made under this section.

(4)The duty imposed by this section must be complied with on the acquisition date or as soon after that date as is reasonably practicable

Decision and reasons

9. Unfortunately, in a not uncommon occurrence, the Respondent and or its managing agents Eagerstates Limited, have ignored directions made by this tribunal, treating the proceedings with what can fairly be described as contempt for the process. Indeed, in the directions dated 20 January 2026 the Tribunal Judge required that a representative of the Respondent must attend the hearing and that failure to do so will result in a referral to the Upper Tribunal. As we indicated above there was no representative of the Respondent at the hearing and no documentation was supplied as required by the directions, other than by the Applicant. In that regard praise must be given to Ms Bauko who has worked with great diligence to produce the three bundles at the hearing, although it would have been helpful to have received them in advance.
10. Going through the invoices that had been supplied by the Respondent we have on the schedule below set out the sums that we consider is reasonable for the Respondent to retain, the remainder in our finding being that they constitute uncommitted services charges which must be handed over to the Applicant.
11. The estimated service charges for the year ending December 2025 must be repaid in full as these are clearly costs demanded after the acquisition date.
12. In making our findings we have accepted, on the balance of probabilities, the documentation produced by Ms Bauko and her comments on the costs said to have been incurred. She told us that all leaseholders had paid the service charges for the periods before us and produced a bundle of evidence showing payments made by the leaseholders of the 9 flats in the building. She confirmed there was no dispute with regards to the service charge regime prior to the involvement of Assethold Limited. She took us through the invoices referring to the dates of same and whether in her view the service said to have been supplied had in fact been. This was set out in some detail on a Scott Schedule which had been sent to Eagerstates Limited on 24 June 2024 confirming that any payment was under protest and that the service charges claimed due were not admitted or agreed. The right to challenge the charges was reserved. There was no detailed response other than, it would seem, an email from Mr Gurvits of Eagerstates dated 25 June 2024.
13. By way of explanation, we have made the following findings
 - Insurance the sum claimed is £6,753.20 but in the account from MH refers to the year July 2024 to 2025 and we have therefore only allowed 1/12th of this sum to represent payment up to the date of acquisition of the right to manage on a pro rata basis
 - The only invoices produced for electricity up to 13 August 2024 amount to £297.20 and therefore this is the amount allowed.

- As to cleaning only one invoice for the period was produced and the sum shown thereon of £486 is allowed
- In respect of window cleaning again limited invoices were produced totalling £234 and this is the amount allowed.
- As to fire health & Safety testing there is only evidence of £46.20 as a cost
- The six-monthly drain service is allowed at £594 as is the grit spreading at £192.
- The expenses of £1021.50 for surge protection and testing and the sum sought for health and fire safety risk assessment at £456 is also allowed.
- The expenses claimed of Council bin hire, gutter cleaning visual installation condition report key cutting and EV charger testing are disallowed for the reasons put to us by Ms Bauko, which we accepted.
- Those entries in italics are costs incurred after the 13 August 20024 and not chargeable by the Respondent although we have made pro rata adjustments for the management fees and accountants, the former on a daily rate, the latter on our assessment.

<u>Schedule</u>	As per MH account £	Allowed £
Insurance July 20242025 + brokers fee	6753.20	562.76
Common parts electricity	1809.66	297.20
Cleaning	756	486
Window cleaning	468	234
Council bin hire	287.27	0
Fire health and safety	74.40	46.20
Gutter works	174	0
Drains service	594	594
Visual Installation	298.80	0
Grit spreading	192	192
Key cutting	35.60	0
EV Charger	762	0
Surge Protection	1021.50	1021.50
Risk assessment	456	456
<i>Signage</i>	<i>150</i>	<i>0</i>
<i>Smoke seal</i>	<i>850</i>	<i>0</i>
<i>Holes</i>	<i>275</i>	<i>0</i>
<i>Underground crawl space</i>	<i>500</i>	<i>0</i>
<i>Annual solar maintenance</i>	<i>1263.36</i>	<i>0</i>
<i>Door inspection</i>	<i>468</i>	<i>0</i>
<i>Gate latch</i>	<i>264</i>	<i>0</i>
<i>Reinstatement assessment</i>	<i>2700</i>	<i>0</i>
<i>PPM schedule costs</i>	<i>1980</i>	<i>0</i>
<i>Accounts</i>	<i>600</i>	<i>300 pro rata</i>
<i>Management fee</i>	<i><u>2808</u></i>	<i><u>1730.95 pro rata</u></i>

Total sum shown on MH account	£25,540.79	£5,920.61
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14. The decision of the Court of Appeal in the case of Prince of Wales Road RTM Company Limited v the Respondents [2024]EWCA 1544 was issued on 13 December 2024. Accordingly at that time there can be no doubt that the Respondent had to concede that the Applicant had acquired the right to manage on 13 August 2024. Notwithstanding this the Respondent proceeded to demand estimated service charges for the following year. This was challenged by Ms Bauko in her lengthy email of 24 December 2024, which had in turn followed her lengthy email dated 17 December 2024. It would not appear that either were replied to in any meaningful way.
15. As to the earlier payments we find it surprising that the Respondent proceeded to incur expenses as set out in the italics above. To undertake an annual solar maintenance, reinstatement assessments and a schedule of future costs being aware that the case was before the Court of Appeal seems to us to irresponsible.
16. Accordingly taking these adjustments in to account we calculate that the sum the Respondent is entitled to retain as committed service charges up to 13 August 2024 is £5,920.61 and therefore the sum of £19,620.18 is due to be repaid to the Applicant. To this must be added the estimated charges sought for the year ending December 2025 which were £22,386.24, giving a total sum to be paid to the Applicant by the Respondent of £42,006.42, which sum should be repaid within 14 days.
17. The Applicant also raised the prospect of a claim for costs under rule 13 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. This is a matter for the Applicant, but they should carefully note the provisions contained in the rule and the impact of the case of *Willow Court Management Company (1985) Ltd v Mrs Ratna Alexander* [2016] UKUT (LC).

Signed Judge Dutton

Date 18 May 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).