

Your ref:
Our ref: TL/AB/CANARYR01B



SIMPSON WREFORD
& PARTNERS

CHARTERED ACCOUNTANTS
Tax and business advisors

Mr A Coates
Receiver Manager Canary Riverside Estate
Director
HML Andertons Ltd
94 Park Lane
Croydon, Surrey
CRO 1JB

13th September 2017

Dear Mr Coates,

Canary Riverside Estate Service Charge Accounts

I write to advise that we have now completed accounts for the year ended 31st March 2017.

Given the complex nature of these accounts and their composition I am setting out below the various issues which have arisen and the problems which still remain.

1. Accounts presentation

- a) You were appointed to manage the estate from 1st October 2016, which has meant that the accounting period falls into two management periods, the first six months by Marathon Estates Limited (MEL) and the second six months by you assisted by HML Andertons Limited (HMLA).
- b) The lease requires accounts to be produced for a year, and it was decided that the two periods would be shown separately, with an annual total to compare with the budget (prepared by MEL) and the previous year.
- c) MEL has provided HMLA with a closing trial balance at 30th September 2016 from which a set of accounts has been extracted. At the above date, the accounts arising from this trial balance have not been audited, and in order to proceed to a year's accounts we have accepted that trial balance and noted this in our Independent Accountants Review. We have not carried out an audit.
- d) The position is further complicated by several transactions appearing in the HMLA period which relate to the MEL period and in order to reflect these in their appropriate period the column for the first six months has been divided into two. The first column reflects the trial balance figures and the second those entries which were found in the second period but which relates to the first.
- e) It was considered necessary to ensure that each period was shown as accurately as possible.

Cont.

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- f) In addition to the pages reflecting costs of each sector it was considered necessary to show the collection and allocation of electricity costs for the second half year. This is because the collection of demands should come under the service charge collection mechanism. Whereas for the first six months we do not have sufficient or appropriate information.
- g) In a similar vein a separate page showing VAT workings for the second six months has been shown. It should be noted that the treatment of VAT is different between periods. The first period shows a mix of net and gross with irrecoverable VAT on the residential element shown as a separate cost line, whereas in the second period each item of expenditure is shown gross where the VAT cannot be recovered. It is felt the latter is the more transparent, because of course this is all part of trust monies being expended.

2. The question of audit

- a) We were originally engaged to complete an audit – although it should be noted that the leases we have seen do not require an audit , merely a certification. It was anticipated that Hacker Young would carry out an audit of the first six months which, after enquiry, we could rely on. However to date this has not been carried out, nor any confirmation that this will happen.
- b) As we cannot rely on the opening position (without such assurances), and given the number of balance sheet issues which still remain, we have agreed that we will carry out an Independent Accountants' Review based on TECH 03/11 format.
- c) It may be argued by some that we are only required to "audit" expenditure, but from a close examination of the balance sheet there are a number of items which, if not recoverable, would have to be written off through the Income & Expenditure Account. (See below).
- d) This should not in any way reduce the validity of the accounts produced.

3. Unresolved issues

- a) It has always been asserted by MEL that "Full accounts for the period from 1st April 2016 to 30th September 2016 were provided as a part of the handover" "These were provided with all supporting documentation and reconciliations for all balance sheet items." (Letter to FTT dated 19th June 2017 attached).
- b) We maintain that a closing trial balance is not full accounts, and that some of the reconciliations provided do not explain some of the balance sheet items. (Our emails of 9th June 2017 and 2nd August 2017 are attached).
- c) We also note in the letter of 19th June 2017 that no general ledger is produced. We fail to see how any set of accounts can be produced without (at the very least) an extended trial balance which brings together all the relevant accounts – indeed the trial balance provided must have been the end result of such a document.

Cont.

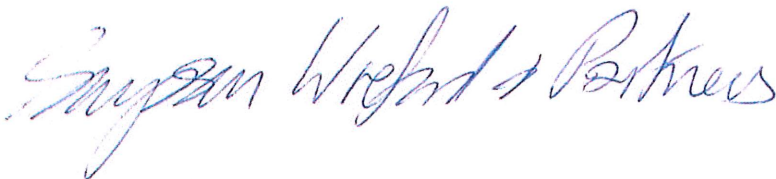
4. The following matters give rise for concern:

- a) Opening balances at 1st October 2016 have not been verified.
- b) A difference of £37k occurs on the service charge debtors between the list of balances (dated 10th October 2016) and the control total (dated 1st October 2016). This balance is carried forward until resolved.
- c) We have no confirmation as to the amount owed by the previous managing agent of £101k. You consider this to be the responsibility of the Landlord and instructed us to include this in amounts due from the Landlord.
- d) It appears there is still a further amount due from MEL in respect of the funds they have held at 31st March 2017. Out of the £239k shown at that date only £177k has been paid.
- e) At 31st March 2017 there is a considerable amount as showing due from the landlord.
- f) Reviewing the balance sheet we are concerned that you will be unable to collect all the amounts apparently due to the company, without which you will be unable to properly discharge your obligations as manager.

In conclusion we would mention that much time has been spent in providing accounts in the same format as has been used in previous years, but with considerably more detail in order that all parties may understand how the year has been completed by two different parties.

If you have any queries please do not hesitate to let us know.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Simpson Wreford & Partners', written in a cursive style.

Simpson Wreford & Partners

MARATHON ESTATES LIMITED

78 York Street, London W1H 1DP

The Property Chamber
London Residential Property
First Tier Tribunal
10 Alfred Place
London
WC1E 7LR

Ref: LON/00BG/LVM/2016/0020
Ref: LON/00BG/LVM/2016/0023

Date: 19th June 2017

Dear Sirs,

We refer to your letters dated 9th and 13th June 2017 and set out below the answers to the email from Nick Hunwick to Alan Coates of 9th June 2017 (14:28).

Debtors Ledger:

The following has been provided:

- A historic statement of each lessee reconciled to the debtor's report.
- A full debtor report from Qube reconciled to the accounts provided as at 30th of September 2016.
- A statement of outstanding balances per lessee.

We are unable to provide any further information other than that already provided. (Dropbox screenshots attached).

Purchase ledger:

Due to the way Qube is formatted to incorporate multiple sites it is not possible to generate a purchase ledger (in a standard format) for a single site/development i.e. Canary Riverside.

As advised by Qube support, it is only possible to export a purchase ledger from the property management software in the format of invoice listing as this can be filtered by development.

This is what has been provided along with copies of purchase invoices. (Dropbox screenshots attached).

General Ledger:

Due to the method used in preparing the accounts there is no general ledger maintained. Accounts were prepared by amalgamating information from various sources all kept within different systems.

MARATHON ESTATES LIMITED

78 York Street, London W1H 1DP

Cash books:

Cash books have been provided and were placed in the Dropbox on the 25th May 2017. These were broken down by month for ease of use (Dropbox screenshot attached), they are not analysed as Qube does permit this.

Bank statements:

Bank statements were provided on 25th May 2017 for the period April 2013 to September 2016. (Dropbox screenshots attached).

In regards to account ending in 627 we are advised that this is a Landlord operating account and not a service charge operating account. It is not fundamental to the completion of accounts as it is merely a pass-through account from where reserve monies were transferred.

Preparation of 2016 – 2017 accounts:

Full accounts for the period 1 April 2016 to 30 September 2016 were provided as a part of the handover.

These were provided with all supporting documentation and reconciliations for all balance sheet items. This will enable the completion of the 2016-2017 accounts.

Regarding your letter of 9th June 2017 as you are aware we were reluctant to release documents because we were afraid we would not get paid.

Having supplied the documents on 25th May 2017 our fears have now come true in that over three weeks later we still have not been paid.

Initially the Manager via his solicitor, Mr Storar, claimed that the Manager was unable to access the drop box and that it caused the Manager to receive "system warnings of damage to his computer". No evidence of this was ever provided. We invite the Manager to produce evidence to back up this claim. No doubt the Tribunal did not experience any such difficulties.

As you are aware, the Manager then wrote to you on 30th May 2017 stating, amongst other things, that the documents having been provided in a Dropbox format is not as defined in the Order. One wonders if he would have accepted the position if the documents had been printed and sent to him. Our view at first was, and still is, that the unwarranted complaints by the Manager are nothing more than an attempt to manufacture a complaint in order not to pay us. In any event, as the Tribunal has seen, the Dropbox is readily accessible. With respect therefore our position is that we have complied with the Order and accordingly we should be paid without delay. We therefore do not consider that the matter needs to be transferred to the Upper Tribunal.

MARATHON ESTATES LIMITED

78 York Street, London W1H 1DP

We have provided what we can in good faith. We therefore request that the Tribunal now orders Mr Coates to pay our all our outstanding fees.

Regarding the funds to which you refer we were holding commercial service charges of £101,794.76. In order not to have any delay CREM transferred this amount from its own funds to the Manager on 25th May 2017 and we subsequently reimbursed CREM.

Yours faithfully

Marathon Estates Limited

Registered Office: 78 York Street, London, W1H 1DP
Company No: 07647117



Nick Hunwick

From: Nick Hunwick
Sent: 02 August 2017 09:39
To: 'Alan Coates'
Subject: RE: CANARY RIVERSIDE

Dear Mr Coates,

You have forwarded to me the letter from howard kennedy dated 20th July. I refer to the last paragraph on page 2 of their letter in which they state: "Marathon has supplied the trial balance with reconciliations of all balance sheet items and all supporting documents for income and expenditure. This is more than adequate to prepare the accounts".

I continue to dispute this statement, and refer you to my email of 9th June and our overview of the information we have seen. In addition to those comments I made in that email, I would make the following further points or emphasise those already made:

- These accounts are complex. It is important to create a set of accounts for twelve months, not just six, because the leases and budgets require expenditure to be accounted for a year.
- So it is necessary to combine two sets of accounts. This should not be difficult but to do so requires detailed information from the first six months (such as opening balances, journal transfers etc) in order to maintain a consistent approach.
- A detailed extended trial balance from 1st April (or General ledger if you prefer), would explain much more how each account has been made up. To say "all supporting documents for income and expenditure" is misleading – does this mean invoices? Or schedules of costs in support of each item? Certainly not the latter.
- One other example (in balance sheet terms) would be accruals. At 31st March 2016 the total was £1.4million. At 30th September this was reduced to £134k. It would be really helpful to see the movement on this balance.

To merely expect to add two periods together without a detailed appraisal of the whole period is not appropriate and we would expect some further cooperation – perhaps from the auditors of that prior period once this has been completed.

Yours sincerely

N G Hunwick

Nick Hunwick

From: Nick Hunwick
Sent: 09 June 2017 14:28
To: 'Alan Coates'
Cc: 'a.storar@downslaw.co.uk'
Subject: RE: CANARY RIVERSIDE - review of information received [Scanned]

Dear Mr Coates,

YOUR INSTRUCTIONS

You have supplied us with information recently received in connection with the above and have asked us to compare this information with the schedule previously prepared of "Items not provided that were detailed in the draft management order" to see what information, if any, still needs to be supplied.

As reporting accountants, this is necessarily an overview, as we are not responsible for the day to day accounting, and do not comment on the detailed correspondence between Michael Hehir and Louise Berwin, or whether the replies she has given fully answer the questions raised.

OUR REVIEW

We have reviewed all the files downloaded from the dropbox sent to us and, in summary, our conclusions are as follows:

A GENERAL LEDGER

- There appears to be no general ledger for any of the periods requested, namely the years ended 31st March 2015, 2016 and the six months to 30th September 2016. This is extremely important, because it explains how each account is made up and from what source (invoices, cash, adjustments etc).
- Taking this point further, there is a closing trial balance at 30th September 2016, but no general ledger to explain how each account has been compiled from the 1st April 2016 through to 30th September.
- A good example of the problem this creates is the VAT account. It is stated in 'responses' that the VAT position is zero. The VAT account does not show on the trial balance at 30th September 2016 – but there is not detail showing how this zero position has been arrived at. A proper general ledger with a VAT account would show this.

DEBTORS LEDGER AND PURCHASE LEDGER

- Whilst there are closing balances for creditors at 30th September 2016 there is no purchase ledger control which would show the opening balances due in total (at 1st April 2016) the monthly totals of invoices charged and the payments made.
- There is a list of purchase invoices, not totalled and it is not possible to be certain that the list is complete or how this actually fits in to the closing trial balance.
- The same principle applies to the service charges demanded where an arithmetical reconciliation is required.
- In both instances these would link into the general ledger, would be prepared on a monthly basis with appropriate totals.

CASH BOOKS AND BANK STATEMENTS

- There appear to be no details for bank account number 71465627 which has been confirmed as an operating account in relation to service charges. This clearly interacts with the reserve accounts and is fundamental to understanding how the accounts fit together.
- The cash books (so called) do not show any analysis as to how the expenditure has been analysed.
- Again, it is essential to see how all bank accounts link into a general ledger.

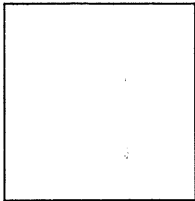
In summary we are of the opinion that the various schedules of information supplied in the drop box do not link in with each other to form a cohesive picture. They rather form a series of stand alone documents which make it impossible to create the full set of informative accounts which are essential.

There has been an expectation that this long anticipated information would provide all the outstanding answers to the questions previously raised. In our opinion this is not the case and the balance of documentation urgently required.

If we can be of further assistance please let us know.

Yours faithfully,

SIMPSON WREFORD & PARTNERS



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CANARY RIVERSIDE ESTATE

SERVICE CHARGE STATEMENT OF ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

CANARY RIVERSIDE ESTATE

CONTENTS

Pages	1	Manager of Canary Riverside letter of representation
	2	Accountants report
	4	Income and expenditure account Summary
	5	Income and expenditure account per sector
	14	Electricity and VAT recharge schedules
	15	Reserve fund
	16	Balance sheet
	17	Notes to the accounts

SERVICE CHARGE STATEMENT OF ACCOUNT FOR

CANARY RIVERSIDE ESTATE

LETTER OF REPRESENTATION FROM MR A COATES TO ACCOUNTANT

FOR THE YEAR ENDED 31 MARCH 2017

I have determined that an audit of the service charge accounts in accordance with international standards on auditing is not required under the terms of the lease for Canary Riverside Estate.

I was appointed Manager of Canary Riverside Estate on 1st October 2016 by the First Tier Tribunal, but have accepted responsibility for preparing service charge information as set out in the accounts of Canary Riverside Estate Limited for the year ended 31st March 2017.

Only in respect of the period from 1st October 2016 to 31st March 2017 am I responsible for ensuring that the financial management of the service charges is sound and that there is an effective system of internal control which facilitates the proper use of the service charges and which includes arrangements for good management of the building and all communal grounds for which I have responsibility in accordance with the terms of the lease.

No leaseholder has made a request for a written summary of relevant costs in relation to the service charges payable or demanded as payable in the period in accordance with Section 21 of the Landlord and Tenant Act 1985.

I confirm that all relevant costs included as expenditure in the service charge information from 1st October 2016 to 31st March 2017, including any payments to reserve funds, is a proper charge to the property and is in accordance with the underlying leases. Where necessary I have complied with the provisions of section 20 of the Landlord and Tenant Act 1985 in relation to long-term expenditure and major works as defined by the legislation.

All expenditure included in the service charge information for the period 1st October 2016 to 31st March 2017 is a proper charge to the property and is in accordance with underlying leases.

Only for the period 1st October 2016 to 31st March 2017 do the following paragraphs apply:

Where necessary, the allocation of relevant expenditure across the various service charge sectors including that relating to the above property is in accordance with the lease.

All the accounting records have been made available to you for the purpose of your engagement and all the transactions relating to service charges have been properly reflected and recorded in the accounting records. Any significant matters of which I consider you ought be aware have been brought to your attention.

The charge to the reserve fund is in accordance with the provisions of the leases and the amounts have been accurately reflected in the reserve fund (where applicable) included as part of the service charge statement of relevant costs.

All service charge monies managed by me are held separately in trust in accordance with section 42 of the Landlord and Tenant Act 1987 in designated interest bearing accounts with Barclays and the balances reconciled to the fund balances shown in the statement of account.

I confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that I can make the above representations to you.

.....
Mr A Coates

ALAN COATES' DECLARATION

I approve the attached summary of costs.

.....
Mr A Coates

CANARY RIVERSIDE ESTATE**INDEPENDENT ACCOUNTANTS REPORT****FOR THE PERIOD FROM 1 OCTOBER 2016 TO 31 MARCH 2017**

In accordance with our engagement letter, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out on pages 4 to 18 in respect of Canary Riverside Estate for the period from 1st October 2016 to 31st March 2017 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to Mr Alan Coates who is appointed Manager by The First Tier Tribunal - Property with effect from 1st October 2016 for issue with the service charge accounts in accordance with the terms of our engagement. Our work has been undertaken to enable us to make this report to Mr Coates and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mr Coates for our work or for this report.

Basis of report

Accounts have been produced for a twelve month period and incorporate the period from 1st April 2016 to 30th September 2016 which have been managed by Marathon Estates Limited, and this period has been shown in separate columns.

We have not been able to carry out any review in respect of this period.

Our work in respect of the period from 1st October 2016 to 31st March 2017 was carried out having regard to TECH 03/11 Residential Service Charge Accounts published jointly by the professional accountancy bodies with ARMA and RICS. In summary, the procedures we carried out with respect to the service charge accounts were:-

1. We obtained the service charge accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of Mr Coates as Manager;
2. We checked, based on a sample, whether entries in the accounting records were supported by receipts, other documentation or evidence that we inspected; and
3. We checked whether the balance of service charge monies for Canary Riverside Estate shown in the service charge accounts agreed or reconciled to the bank statements for the accounts in which the funds are held.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, we do not express any assurance on the service charge accounts other than in making the factual statements set out below.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Report of factual findings

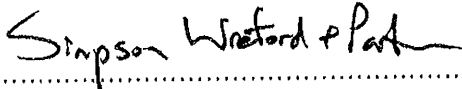
- a. With respect to item 1 we found the figures in the statement to have been extracted correctly from the accounting records.
- b. With respect to item 2 we found that those entries in the accounting records that we checked were supported by receipts, other documentation or evidence that we inspected, except insofar as the matters stated below.
- c. With respect to item 3 we found that the balance of service charge monies shown in the service charge accounts agrees or reconciles to the bank statement for the accounts in which the funds are held.

CANARY RIVERSIDE ESTATE
INDEPENDENT ACCOUNTANTS REPORT
FOR THE PERIOD FROM 1 OCTOBER 2016 TO 31 MARCH 2017

Matters arising in the course of our work

In the course of our review, the following matters are drawn to the attention of Mr Coates:

1. Opening balances at 1st October 2016 have not been verified.
2. Unresolved differences arise on service charge debtors which have been carried forward pending resolution.
3. Various other debtor balances shown as being due are currently under review.


.....
Simpson Wreford & Partners
Chartered Accountants and Registered Auditors
Suffolk House
George Street
Croydon CR0 0YN

Date 25th September 2017

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
INCOME AND EXPENDITURE ACCOUNT: ALL SECTORS - SUMMARY
FOR THE YEAR ENDED 31 MARCH 2017

	ESTATE: Adjusted MEL: 6m to 30/09/2016 £	ESTATE: HNL 6m to 31/03/2017 £	TOTAL ESTATE £	RESIDENTIAL FLATS: Adjusted MEL: 6m to 30/09/2016 £	RESIDENTIAL FLATS: HNL 6m to 31/03/2017 £	TOTAL: RESIDENTIAL FLATS £	CAR PARK RESIDENTIAL: Adjusted MEL: 6m to 30/09/2016 £	CAR PARK RESIDENTIAL: HNL 6m to 31/03/2017 £	TOTAL: CAR PARK (RESIDENTIAL) £	COMMERCIAL (INCL CAR PARK): Adjusted MEL: 6m to 30/09/2016 £	COMMERCIAL (INCL CAR PARK): HNL 6m to 31/03/2017 £	COMMERCIAL (incl CAR PARK) £	Total actual £
Income relating to the period	706,945	705,628	1,412,573	925,166	924,702	1,849,868	76,938	76,938	153,876	323,839	307,641	631,480	4,047,796
Expenditure relating to the period	(657,668)	(689,540)	(1,347,208)	(853,115)	(729,169)	(1,582,284)	(71,241)	(24,232)	(95,474)	(177,510)	(224,813)	(402,322)	(3,427,288)
Surplus/(deficit) for the year	49,278	16,088	65,366	72,050	195,533	267,584	5,697	52,706	58,402	146,329	82,828	229,157	620,509
Transfers (to)/from reserves	49,278	16,088	65,366	19,638	72,050	267,584	0	52,706	58,402	146,329	82,828	229,157	620,509
Contribution from other blocks	(49,278)	(16,088)	(65,366)	27,694	9,041	36,735	6,608	2,157	8,766	14,976	4,889	19,865	-
Estate contribution - major works	-	-	-	(6,000)	-	(6,000)	-	-	-	-	-	-	(6,000)
Surplus/deficit to be (credited)/collected	-	-	-	93,744	204,575	298,319	12,505	54,863	67,168	161,305	87,717	249,022	614,509
Electricity - recharged	-	-	-	-	(244,688)	(244,688)	-	-	(28,359)	-	(32,322)	(305,369)	40,476
Recoverable VAT	-	-	-	-	-	-	-	-	-	-	40,476	40,476	40,476
Balance to be credited/debited to tenants	-	-	-	93,744	(40,113)	53,631	12,505	26,504	38,809	161,305	95,871	257,176	349,616

BALANCE SHEET - SUMMARY

	TOTAL 2017 £	TOTAL 2016 £
ASSETS	3,336,193	4,402,872
LIABILITIES	2,193,908	3,464,263
NET ASSETS	1,142,285	938,609
REPRESENTED BY:-	1,142,285	938,609
Reserve fund		

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
INCOME AND EXPENDITURE ACCOUNT - RESIDENTIAL
FOR THE YEAR ENDED 31 MARCH 2017

					2017	2017	2016	
	NOTES	MEL 6m to 30.09.2016 £	Adjustments to MEL post 30.09.2016 £	Adjusted MEL: 6m to 30.09.2016 £	HMLA 6m to 31.03.2017 £	Total Actual £	Budget £	Actual £
Income relating to the period								
Service charge receivable (demanded on account)		924,702	-	924,702	924,702	1,849,404	1,849,402	1,813,766
Reserve contribution receivable		-	-	-	-	-	180,000	140,000
Estate Service Charge receivable		397,303	-	397,303	396,563	793,866	794,603	810,924
Estate Reserve contribution receivable		-	-	-	-	-	14,050	14,054
Interest on outstanding balance		463	-	463	-	463	-	-
Interest received		-	-	-	-	-	-	1,023
Total income		1,322,469	-	1,322,469	1,321,265	2,643,734	2,838,055	2,779,767
Expenditure relating to the period								
Staffing								
Doormen		113,157	9,173	122,330	101,977	224,306	215,000	210,393
Admin fee for staff wages		3,548	-	3,548	-	3,548	11,000	-
Uniforms and training		-	-	-	-	-	2,200	-
Staff recruitment		-	-	-	-	-	3,000	480
Utilities								
Electricity - communal	8a	28,836	-	28,836	-	28,836	180,000	114,371
Gas	8c	11,097	-	11,097	14,828	25,925	41,000	21,722
Water rates	8b	78,059	(15,250)	62,809	20,667	83,476	85,000	66,991
Telephone / MOB / Radios		3,294	-	3,294	492	3,786	5,000	3,762
Contracts, maintenance and services								
Door entry/barrier maintenance		2,424	-	2,424	8,112	10,536	2,000	243
Fire alarm / equipment maintenance		122	-	122	213	334	60,000	1,214
General repairs and maintenance		84,554	(269)	84,285	20,361	104,646	110,000	84,810
Light bulbs and fittings		5,569	-	5,569	1,444	7,013	15,000	(6,414)
Landscaping		-	-	-	-	-	-	30,844
Sundry expenses		(1,297)	-	(1,297)	2,200	903	1,000	(1,049)
Mechanical and electrical maintenance		35,764	-	35,764	58,229	93,993	200,000	57,289
Electrical repairs		7,604	-	7,604	5,883	13,487	25,000	22,498
Cradle maintenance		10,348	-	10,348	16,782	27,130	20,000	13,247
Lift contract and maintenance		66,389	-	66,389	59,235	125,625	128,000	123,934
Cleaning - general		52,210	-	52,210	50,765	102,975	105,000	102,479
Window cleaning		11,272	12,997	24,269	-	24,269	45,500	49,839
Rubbish removal		9,179	-	9,179	6,814	15,993	25,000	27,760
Gardening and landscaping		13,520	5,544	19,064	7,700	26,764	24,500	-
Garden lighting maintenance		2,872	-	2,872	-	2,872	7,000	7,048
Garden pathway repair		-	-	-	-	-	-	1,607
Canary Wharf irrigation charge		-	-	-	10,203	10,203	13,000	12,283
Satellite / TV / aerials		-	-	-	994	994	2,000	117
Irrecoverable estate VAT	8d	72,055	-	72,055	-	72,055	129,202	128,765
Administration costs (concierge, waste operative, payroll fees)		24,000	-	24,000	16,681	40,681	-	-
Insurance								
Building and terrorism insurance		167,778	167,778	335,555	-	335,555	345,000	318,875
Professional fees								
Legal fees		6,012	5,400	11,412	137,166	148,577	30,000	175,716
Professional fees		44,752	-	44,752	1,062	45,814	15,000	29,519
Health and safety		-	-	-	-	-	5,000	6,470
Other professional fees		-	-	-	-	-	-	-
Postage and photocopying		-	-	-	780	780	-	-
Insurance claims		-	-	-	1,210	1,210	-	-
Total expenditure		853,115	185,373	1,038,488	543,796	1,582,284	1,849,402	1,604,813
Total income		1,322,469	-	1,322,469	1,321,265	2,643,734	2,838,055	2,779,767
Total expenditure		(853,115)	(185,373)	(1,038,488)	(543,796)	(1,582,284)	(1,849,402)	(1,604,813)
Balance carried forward		469,354	(185,373)	283,981	777,469	1,061,450	988,653	1,174,954

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
INCOME AND EXPENDITURE ACCOUNT - RESIDENTIAL
FOR THE YEAR ENDED 31 MARCH 2017**

	MEL 6m to 30.09.2016 £	Adjustments to MEL post £	Adjusted MEL: 6m to £	HMLA 6m to £	2017 Total Actual £	2017 Budget £	2016 Actual £
Balance brought forward	469,354	(185,373)	283,981	777,469	1,061,450	988,653	1,174,954
Transfers (to)/from reserves (refer Reserves schedule)	19,638	-	19,638	-	19,638	-	(140,000)
Surplus/deficit before Estate contribution	<u>488,992</u>	<u>(185,373)</u>	<u>303,619</u>	<u>777,469</u>	<u>1,081,088</u>	<u>988,653</u>	<u>1,034,954</u>
Estate expenditure contribution	(369,609)	-	(369,609)	(387,521)	(757,131)	(794,603)	(730,018)
Total expenditure	(853,115)	(185,373)	(1,038,488)	(543,796)	(1,582,284)	(1,849,402)	(1,604,813)
Estate contribution - major works	-	-	-	-	-	(14,050)	(14,055)
Major works expenditure	<u>(6,000)</u>	-	<u>(6,000)</u>	-	<u>(6,000)</u>	<u>(180,000)</u>	-
Total expenditure	<u>(1,228,724)</u>	<u>(185,373)</u>	<u>(1,414,097)</u>	<u>(931,317)</u>	<u>(2,345,415)</u>	<u>(2,838,055)</u>	<u>(2,488,886)</u>
Total income	<u>1,322,469</u>	-	<u>1,322,469</u>	<u>1,321,265</u>	<u>2,643,734</u>	<u>2,838,055</u>	<u>2,779,767</u>
Surplus/deficit to be (credited)/collected	93,744	-	-	204,575	298,319	-	290,881
Electricity - recharged	-	-	-	(244,688)	(244,688)	-	-
Balance brought forward	-	-	-	-	-	-	-
Balance to be credited/debited to tenants	<u>93,744</u>	-	-	<u>(40,113)</u>	<u>53,631</u>	-	<u>290,881</u>

8a

SERVICE CHARGE STATEMENT OF ACCOUNT FOR

CANARY RIVERSIDE ESTATE

INCOME AND EXPENDITURE ACCOUNT - CAR PARK

FOR THE YEAR ENDED 31 MARCH 2017

NOTES	MEL: Hotel and Commercial (111) - 6m to 30.09.2016 £	MEL: Residential (Gross) - 6m to 30.09.2016 £	MEL adjustments: Hotel and Commercial - 6m to 30.09.2016 £	MEL adjustments: Residential - 6m to 30.09.2016 £	Adjusted MEL: Hotel and Commercial - 6m to 30.9.2016 £	Adjusted MEL: Residential - 6m to 30.9.2016 £	HMLA: Hotel and Commercial (111) - 6m to 31.03.2017 £	HMLA: Residential (Gross) - 6m to 31.03.2017 £	2017 Total actual £	2017 Budget £	2016 Actual £
Income relating to the period											
Service charge receivable (demanded on account)	29,777	76,938	-	-	29,777	76,938	29,777	76,938	213,430	198,504	208,436
Reserve contribution receivable	-	-	-	-	-	-	-	-	-	20,000	20,000
Estate Service Charge receivable	36,690	94,802	-	-	36,690	94,802	36,622	94,625	262,739	262,983	268,384
Estate Reserve contribution receivable	-	-	-	-	-	-	-	-	-	4,650	4,652
Water recharge	2,158	-	-	-	2,158	-	1,927	-	4,086	-	3,449
Total income	68,625	171,740	-	-	68,625	171,740	68,326	171,563	480,254	486,137	504,921
Expenditure relating to the period											
Utilities											
Electricity	8a	4,887	12,626	-	-	4,887	12,626	-	17,513	55,000	52,142
Water recharge expense		-	-	-	-	-	1,927	-	1,927	-	3,449
Telephone / MOB / Radios		59	151	-	-	59	151	-	210	500	311
Contracts, maintenance and services											
Barrier maintenance		-	-	-	-	-	-	-	-	3,000	1,875
Fire alarm / equipment maintenance		-	-	-	-	-	-	-	-	-	1,270
General repairs and maintenance		1,069	2,763	-	-	1,069	2,763	-	3,832	6,000	44,534
Light bulbs		3,805	9,831	-	-	3,805	9,831	165	14,228	-	-
Health and safety		-	-	-	-	-	-	-	-	300	7,651
Mechanical and electrical		-	-	-	-	-	597	1,541	2,138	12,500	-
Electrical repairs		92	239	-	-	92	239	-	331	17,000	15,203
Irrecoverable estate VAT		-	23,367	-	-	-	23,367	-	23,367	25,704	48,385
Insurance											
Building and terrorism insurance		8,617	22,264	8,617	22,264	17,234	44,528	-	61,762	63,500	58,421
Total expenditure carried forward	18,528	71,241	8,617	22,264	27,145	93,505	2,689	1,968	125,308	198,504	286,426
Estate expenditure contribution	(34,133)	(88,193)	-	-	-	-	(35,787)	(92,468)	(250,581)	(262,983)	(241,607)
Total expenditure brought forward	(18,528)	(71,241)	(8,617)	(22,264)	(27,145)	(93,505)	(2,689)	(1,968)	(125,308)	(198,504)	(286,426)
Estate contribution - major works	-	-	-	-	-	-	-	-	-	(4,650)	(4,651)
Reserve fund	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Total expenditure	(52,661)	(159,435)	(8,617)	(22,264)	(27,145)	(93,505)	(47,093)	(116,700)	-	(486,137)	(552,684)
Total income	68,625	171,740	-	-	68,625	171,740	68,326	171,563	-	486,137	504,921
Total expenditure	(52,661)	(159,435)	(8,617)	(22,264)	(27,145)	(93,505)	(47,093)	(116,700)	-	(486,137)	(552,684)
Surplus/deficit to be (credited)/collected	15,964	12,305	-	-	-	-	21,233	54,863	104,365	-	(47,763)
Electricity - recharged	8a	-	-	-	-	-	(9,154)	(28,359)	(37,513)	-	-
Recoverable VAT	8e	-	-	-	-	-	5,384	-	5,384	-	-
Balance brought forward	-	-	-	-	-	-	-	-	-	-	-
Balance to be credited/debited to tenants	15,964	12,305	-	-	-	-	17,464	26,504	72,237	-	(47,763)

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
INCOME AND EXPENDITURE ACCOUNT - COMMERCIAL IN RESIDENTIAL
FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	MEL: 6m to 30.09.2016 £	Adjustments to MEL post 30.09.2016 £	Adjusted MEL: 6m to 30.09.2016 £	HMLA 6m to 31.03.2017 £	2017 Total Actual £	2017 Budget £	2016 Actual £
Income relating to the period								
		21,000	-	21,000	19,201	40,201	42,000	40,403
		7,140	-	7,140	7,127	14,267	14,280	14,574
		-	-	-	-	-	253	253
		-	-	-	7,077	7,077	-	11,182
		8,178	-	8,178	4,614	12,792	-	10,694
Total income		<u>36,318</u>	<u>-</u>	<u>36,318</u>	<u>38,019</u>	<u>74,337</u>	<u>56,533</u>	<u>77,106</u>
Expenditure relating to the period								
Utilities								
	8a	150	-	150	-	150	1,200	1,397
	8c	-	-	-	7,077	7,077	-	11,182
	8b	-	-	-	4,614	4,614	-	10,694
Contracts, maintenance and services								
		150	-	150	2,470	2,620	1,200	683
		624	-	624	710	1,333	-	-
		238	-	238	-	238	1,200	952
		14,872	2,051	16,923	9,452	26,375	29,000	34,838
Insurance								
		4,571	4,571	9,143	0	9,143	9,400	8,436
		-	-	-	450	450	-	-
Total expenditure carried forward		<u>20,605</u>	<u>6,622</u>	<u>27,227</u>	<u>24,774</u>	<u>52,001</u>	<u>42,000</u>	<u>68,182</u>
Estate expenditure contribution		(6,642)	-	-	(6,964)	(13,607)	(14,280)	(13,120)
Total expenditure brought forward		<u>(20,605)</u>	<u>(6,622)</u>	<u>(27,227)</u>	<u>(24,774)</u>	<u>(52,001)</u>	<u>(42,000)</u>	<u>(68,182)</u>
Estate contribution - major works		-	-	-	-	-	(253)	(253)
Reserve fund		-	-	-	-	-	-	-
Total expenditure		<u>(27,248)</u>	<u>(6,622)</u>	<u>(27,227)</u>	<u>(38,360)</u>	<u>(65,608)</u>	<u>(56,533)</u>	<u>(81,555)</u>
Total income		<u>36,318</u>	<u>-</u>	<u>36,318</u>	<u>38,019</u>	<u>74,337</u>	<u>56,533</u>	<u>77,106</u>
Total expenditure		<u>(27,248)</u>	<u>(6,622)</u>	<u>(27,227)</u>	<u>(38,360)</u>	<u>(65,608)</u>	<u>(56,533)</u>	<u>(81,555)</u>
Surplus/deficit to be (credited)/collected		<u>9,071</u>	<u>-</u>	<u>-</u>	<u>(341)</u>	<u>8,730</u>	<u>-</u>	<u>(4,449)</u>
Electricity - recharged	8a	-	-	-	(1,415)	(1,415)	-	-
Recoverable VAT	8e	-	-	-	2,621	2,621	-	-
Balance brought forward		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance to be credited/debited to tenants		<u>9,071</u>	<u>-</u>	<u>-</u>	<u>865</u>	<u>9,936</u>	<u>-</u>	<u>(4,449)</u>

SERVICE CHARGE STATEMENT OF ACCOUNT FOR

CANARY RIVERSIDE ESTATE

INCOME AND EXPENDITURE ACCOUNT - CLUB

FOR THE YEAR ENDED 31 MARCH 2017

					2017	2017	2016
NOTES	MEL: 6m to 30.09.2016 £	Adjustments to MEL post 30.09.2016 £	Adjusted MEL: 6m to 30.09.2016 £	HMLA 6m to 31.03.2017 £	Total Actual £	Budget £	Actual £
Income relating to the period							
Service charge receivable (demanded on account)	80,203	-	80,203	78,628	158,831	160,405	128,323
Estate Service Charge receivable	38,175	-	38,175	38,104	76,279	76,350	77,918
Estate Reserve contribution receivable	-	-	-	-	-	1,350	1,350
Water recharge	29,231	-	29,231	22,464	51,695	-	40,367
Total income	147,609	-	147,609	139,196	286,805	238,105	247,958
Expenditure relating to the period							
Utilities							
Electricity	8a 2,086	-	2,086	-	2,086	12,405	11,634
Water recharge expense	8b -	-	-	22,464	22,464	-	40,367
Contracts, maintenance and services							
General repairs and maintenance	4,845	-	4,845	2,339	7,185	15,000	4,375
Sundry expenses	-	-	-	-	-	-	(30)
Mechanical and electrical	-	-	-	3,740	3,740	45,000	986
Lift maintenance contract	7,586	-	7,586	9,103	16,688	17,000	15,386
Window cleaning	1,335	1,256	2,591	-	2,591	11,900	11,741
Rubbish removal	14,944	2,051	16,995	9,452	26,447	29,000	34,854
Water softener / materials and lamps	-	-	-	205	205	-	-
Insurance							
Insurance claims	-	-	-	-	-	-	100
Building and terrorism insurance	14,638	14,638	29,276	(0)	29,276	30,100	27,563
Professional fees							
Legal fees	-	-	-	-	-	-	1,500
Total expenditure carried forward	45,434	17,945	63,378	47,303	110,681	160,405	148,476
Estate expenditure contribution	(35,514)	-	-	(37,235)	(72,749)	(76,350)	(70,144)
Total expenditure brought forward	(45,434)	(17,945)	(63,378)	(47,303)	(110,681)	(160,405)	(148,476)
Estate contribution - major works	-	-	-	-	-	(1,350)	(1,350)
Reserve fund	-	-	-	-	-	-	-
Total expenditure	(80,948)	(17,945)	(98,892)	(84,538)	(183,431)	(238,105)	(219,970)
Total income	147,609	-	147,609	139,196	286,805	238,105	247,958
Total expenditure	(80,948)	(17,945)	(98,892)	(102,483)	(183,431)	(238,105)	(219,970)
Surplus/deficit to be (credited)/collected	66,661	-	-	36,713	103,374	-	27,988
Electricity - recharged	8a -	-	-	(8,059)	(8,059)	-	-
Recoverable VAT	8e -	-	-	9,100	9,100	-	-
Balance brought forward	-	-	-	-	-	-	-
Balance to be credited/debited to tenants	66,661	-	-	37,754	104,415	-	27,988

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
INCOME AND EXPENDITURE ACCOUNT - WESTFERRY 1
FOR THE YEAR ENDED 31 MARCH 2017

		2017	2017	2016				
	NOTES	6m to 30.09.2016 £	Adjustments to MEL post 30.09.2016 £	Adjusted MEL: 6m to 30.09.2016 £	HMLA 6m to 31.03.2017 £	Total Actual £	Budget £	Actual £
Income relating to the period								
Service charge receivable (demanded on account)		24,450	-	24,450	24,450	48,900	48,900	40,575
Estate Service Charge receivable		14,068	-	14,068	14,042	28,110	28,136	28,714
Estate Reserve contribution receivable		-	-	-	-	-	498	498
Total income		<u>38,518</u>	<u>-</u>	<u>38,518</u>	<u>38,492</u>	<u>77,010</u>	<u>77,534</u>	<u>69,787</u>
Expenditure relating to the period								
Utilities								
Electricity	8a	661	-	661	-	661	-	300
Contracts, maintenance and services								
Drainage system		-	-	-	778	778	10,000	181
General repairs and maintenance		(322)	-	(322)	2,422	2,100	-	46
Rubbish removal		17,604	2,051	19,655	12,457	32,112	29,000	34,854
Insurance								
Building and terrorism insurance		4,815	4,814	9,629	(0)	9,629	9,900	8,971
Total expenditure carried forward		<u>22,758</u>	<u>6,865</u>	<u>29,623</u>	<u>15,657</u>	<u>45,280</u>	<u>48,900</u>	<u>44,352</u>
Estate expenditure contribution		(13,088)	-	-	(13,722)	(26,809)	(28,136)	(25,849)
Total expenditure brought forward		(22,758)	(6,865)	(29,623)	(15,657)	(45,280)	(48,900)	(44,352)
Estate contribution - major works		-	-	-	-	-	(498)	(498)
Reserve fund		-	-	-	-	-	-	-
Total expenditure		<u>(35,845)</u>	<u>(6,865)</u>	<u>(29,623)</u>	<u>(29,379)</u>	<u>(72,090)</u>	<u>(77,534)</u>	<u>(70,699)</u>
Total income		38,518	-	38,518	38,492	77,010	77,534	69,787
Total expenditure		<u>(35,845)</u>	<u>(6,865)</u>	<u>(29,623)</u>	<u>(36,244)</u>	<u>(72,090)</u>	<u>(77,534)</u>	<u>(70,699)</u>
Surplus/deficit to be (credited)/collected		2,673	-	-	2,248	4,921	-	(912)
Electricity - recharged	8a	-	-	-	(1,076)	(1,076)	-	-
Recoverable VAT	8e	-	-	-	4,148	4,148	-	-
Balance brought forward		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance to be credited/debited to tenants		<u>2,673</u>	<u>-</u>	<u>-</u>	<u>5,321</u>	<u>7,993</u>	<u>-</u>	<u>(912)</u>

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
INCOME AND EXPENDITURE ACCOUNT - HOTEL
FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	6m to 30.09.2016 £	Adjustments to MEL post £	adjusted MEL: 6m to £	HMLA 6m to £	2017 Total Actual £	2017 Budget £	2016 Actual £
Income relating to the period								
Service charge receivable (demanded on account)		98,500	-	98,500	98,500	197,000	197,000	153,495
Estate Service Charge receivable		118,767	-	118,767	118,546	237,312	237,533	242,412
Estate Reserve contribution receivable		-	-	-	-	-	4,200	4,201
Water recharge		30,342	-	30,342	21,002	51,344	-	43,238
Total income		247,609	-	247,609	238,048	485,657	438,733	443,346
Expenditure relating to the period								
Utilities								
Electricity	8a	2,100	-	2,100	-	2,100	6,600	6,305
Water recharge expense	8b	-	-	-	21,002	21,002	-	43,238
Contracts, maintenance and services								
General repairs and maintenance		2,709	355	3,065	2,141	5,205	45,000	3,263
Sundry expenses		-	-	-	439	439	-	(120)
Water softener/ materials and lamps		-	-	-	7,195	7,195	7,500	1,522
Rubbish removal		15,489	2,051	17,540	9,452	26,992	28,000	34,886
Landscaping and gardening		2,174	1,380	3,554	2,300	5,854	7,500	9,127
Garden lighting maintenance		298	-	298	611	909	1,800	1,748
Garden pathway repair		-	-	-	-	-	-	43
Canary Wharf irrigation charge		-	-	-	-	-	3,100	3,057
Insurance								
Building and terrorism insurance		47,415	47,415	94,831	-	94,831	97,500	90,041
Total expenditure carried forward		70,185	51,202	121,386	43,139	164,526	197,000	193,110
Estate expenditure contribution		(110,488)	-	-	(115,843)	(226,331)	(237,533)	(218,226)
Total expenditure brought forward		(70,185)	(51,202)	(121,386)	(43,139)	(164,526)	(197,000)	(193,110)
Estate contribution - major works		-	-	-	-	-	(4,200)	(4,201)
Reserve fund		-	-	-	-	-	-	-
Total expenditure		(180,673)	(51,202)	(121,386)	(158,982)	(390,857)	(438,733)	(415,537)
Total income		247,609	-	247,609	238,048	485,657	438,733	443,346
Total expenditure		(180,673)	(51,202)	(121,386)	(210,184)	(390,857)	(438,733)	(415,537)
Surplus/deficit to be (credited)/collected		66,936	-	-	27,864	94,800	-	27,809
Electricity - recharged	8a	-	-	-	(12,618)	(12,618)	-	-
Recoverable VAT	8e	-	-	-	19,221	19,221	-	-
Balance brought forward		-	-	-	-	-	-	-
Balance to be credited/debited to tenants		66,936	-	-	34,467	101,403	-	27,809

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
INCOME AND EXPENDITURE ACCOUNT - ELECTRICITY
FOR SIX MONTHS TO 31 MARCH 2017**

Electricity - Wholesale	590,211.30								
Recharged to all tenants / units	<u>(179,869.24)</u>								
	410,342.06								
Electricity: VAT recoverable element	<u>(46,633.34)</u>								see page 14
Net electricity position	363,708.72								
Accrual (income)	(216,575.28)								
Accrual March 2017	120,404.85								
Less VAT recoverable	<u>(9,577.78)</u>								
Electricity cost (excluding Haven Fourth meter below)	<u>257,960.51</u>								
Electricity cost divided per sector as follows:									
	RESIDENTIAL	CP RES	CP COMM	CIR	HOTEL	WF1	CLUB	TOTAL	
	56.20%	13.41%	5.19%	1.40%	16.80%	1.60%	5.40%		
1A Estate residential: £49667.89 Gross	40,099.63	9,568.26	-	-	-	-	-	49,667.89	
1B Estate commercial: £18,073.43 Net	-	-	3,086.94	833.19	9,990.99	950.66	3,211.65	18,073.43	
1C Car Park residential: £18790.41 Gross	-	18,790.41	-	-	-	-	-	18,790.41	
1D Car Park commercial: £6,067.16	-	-	6,067.16	-	-	-	-	6,067.16	
1E Sectored costs per HML schedule	57,185.50	-	-	582.08	2,627.08	125.00	4,847.50	65,367.16	
2 Additional charge re chillers	100,000.33	-	-	-	-	-	-	100,000.33	
Rounding adjustment								(5.87)	
	<u>197,285.46</u>	<u>28,358.67</u>	<u>9,154.10</u>	<u>1,415.27</u>	<u>12,618.07</u>	<u>1,075.66</u>	<u>8,059.15</u>	<u>257,960.51</u>	
3 HAVEN: Fourth meter charges	47,402.30							47,402.30	
TOTAL RECHARGE TO SECTOR	<u>244,687.76</u>	<u>28,358.67</u>	<u>9,154.10</u>	<u>1,415.27</u>	<u>12,618.07</u>	<u>1,075.66</u>	<u>8,059.15</u>	<u>305,362.81</u>	

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
INCOME AND EXPENDITURE ACCOUNT - VAT (EXCLUDING ELECTRICITY)
FOR THE YEAR ENDED 31 MARCH 2017

	CP COMM 5.19%	CIR 1.40%	CLUB 5.40%	WFI 1.60%	HOTEL 16.80%	TOTAL
VAT recoverable calculated by HMLA: 9 -1000	101	1,598	3,629	2,132	2,228	9,688
Estate: recoverable VAT	4,942	961	5,138	1,894	15,985	28,921
Additional VAT recoverable on legal fees	320	62	332	123	1,034	1,871
Rounding difference	0	0	0	0	-	1
Net credit recoverable	5,384	2,621	9,100	4,148	19,221	40,476
Output VAT (on commercial invoices)						62,202
Input VAT					£3 rounding difference	(40,479)
Input VAT (electricity element)						(46,633)
Refund due per Balance Sheet						-
						(24,910)

SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
RESERVE FUND
FOR THE YEAR ENDED 31 MARCH 2017

	Estate reserve £	Residential flats reserve £	Car park reserve £	Commercial reserve £	Total £
Balance brought forward 1 April 2016	272,160	338,471	319,388	8,590	938,609
Balance carried forward at 30.09.2016	<u>284,785</u>	<u>420,421</u>	<u>321,166</u>	<u>8,593</u>	<u>1,034,966</u>
Balance brought forward 1 October 2016	284,785	420,421	321,166	8,593	1,034,966
Income - from 1.10.2016					-
Demanded in year per MEL Budget	12,477	90,000	10,000	-	112,477
Bank interest and charges	-	(10)	-	-	(10)
Expenditure in period - from 1.10.2016					
External decorations (accrual)	-	(5,148)	-	-	(5,148)
Balance carried forward at 24.03.2017	<u>297,262</u>	<u>505,263</u>	<u>331,166</u>	<u>8,593</u>	<u>1,142,285</u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE**

BALANCE SHEET

AS AT 31 MARCH 2017

	NOTES	TOTAL 2017 £	TOTAL 2016 £
ASSETS			
Service charges due - Commercial		836,554	1,797,957
Service charges due - Residential		426,090	-
Accrued income		191,555	154,523
Other debtors		5,689	175,932
Amounts due from landlord		366,887	130,787
Electricity debtor		226,153	-
VAT control		24,910	-
Prepayments		15,089	-
Bank and cash at bank - MEL	4	239,195	2,143,673
Bank and cash at bank - HML	4	<u>1,004,075</u>	<u>-</u>
		<u>3,336,193</u>	<u>4,402,872</u>
LIABILITIES			
Service charges paid in advance - Commercial		8,063	-
Service charges paid in advance - Residential		652,434	-
Trade creditors - MEL to 30.9.2016		30,493	61,580
Trade creditors - HML from 1.10.2016		349,541	-
Deferred income		-	1,968,526
Accruals		460,082	1,406,734
Other creditors		12,486	27,423
Debtor difference 1 Oct - 10 Oct		37,641	-
Surplus from 31.3.2016 to be credited		293,549	-
Suplus for year to 31.3.2017 to be credited		<u>349,616</u>	<u>-</u>
		<u>2,193,908</u>	<u>3,464,263</u>
NET ASSETS		<u><u>1,142,285</u></u>	<u><u>938,609</u></u>
REPRESENTED BY:-			
Reserve fund			
Estate reserve		297,262	272,160
Residential flats reserve		505,263	338,471
Car park reserve		331,166	319,388
Commercial reserve		8,594	8,590
		<u><u>1,142,285</u></u>	<u><u>938,609</u></u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR
CANARY RIVERSIDE ESTATE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounts presentation

The six months from 1st April 2016 to 30th September 2016 reflect the management by Marathon Estates Limited. The six months from 1st October 2016 to 31st March 2017 has been managed by Mr Alan Coates who was appointed by Court Order. He has appointed HML Andertons Limited, Managing Agents, to assist him in carrying out his duties. In order to provide the fullest information possible, the accounts have been divided into the two relevant six month periods and a total for the year has been shown in order to compare it with the full year's budget and for the previous year ended 31st March 2016.

Furthermore, several transactions which have arisen in the second six months actually relate to the first six month period. In appropriate circumstances these transactions have been added to the first six months by the insertion of an additional column.

2. Accounting policies

The above statements of account have both been prepared in accordance with the provisions of the lease and on the accruals and prepayments basis, under the historical cost convention and (except where it is disclosed otherwise) according to generally accepted accounting practice in the United Kingdom.

3. Tenants rights and obligations

A summary of tenants (leaseholders) rights and obligations must by law accompany a demand for service charges, and is available from the managing agents.

4. Cash at bank

Six months from 1st April 2016 to 30th September 2016 (based on audited information as at 31 March 2017)

All client monies are held by way of a statutory trust, in a designated Client Bank Account at The Royal Bank of Scotland International Limited (RBS International) trading as Natwest, P.O. Box 64, Royal Bank House, 71 Bath Street, St. Helier, Jersey JE4 8PJ and HSBC, 8 Canada Square, London E14 5HQ in accordance with Section 42 and Section 42A of the Landlord and Tenant Act 1987.

Natwest

Marathon Estates Limited - Client: Canary Riverside Estate Management Limited Account No 85871965

HSBC

Canary Riverside Estate Management Limited Residential Reserve Fund Account No: 81584219

Canary Riverside Estate Management Limited Residential Car Park Reserve Fund Account No: 91584316

Canary Riverside Estate Management Limited Reserve Fund Account No: 31584251

Canary Riverside Estate Management Limited Commercial Reserve Fund Account No: 41584200

Canary Riverside Estate Management Limited Commercial Car Park Reserve Fund Account No: 61584189

Six months from 1st October 2016 to 31st March 2017

All funds (whether reserve or service charge current account) are held in trust in designated interest bearing client accounts in the name of Canary Riverside Client Account with Barclays Bank Plc, 355 Station Road, Harrow, Middlesex HA1 2AN.

5. Transactions with related companies

Six months from 1st April 2016 to 30th September 2016

No explanatory information has been made available.

Six months from 1st October 2016 to 31st March 2017

In addition to the management fees shown in the income and expenditure account the following HML companies have provided services that have been charged for separately:

Shaw & Co (Chartered) Surveyors
Alexander Bonhill Limited
HML Company Secretarial Services
HML Concierge Services
HML Technical Services

6. Estate income split

The apportionment of service charges was established by Gross Fine (Surveyors and Property Managers) in their report dated 14 April 2004 and has been used consistently since then.

<u>Six months from 1st April 2016 to 30th September 2016</u>	RF contribution		Total £	s/be
	SC receivable £	receivable £		
Residential	397,303	7,025	404,328	56.20%
Car Park	131,492	2,325	133,817	18.60%
Commercial in Residential	7,140	126	7,266	1.01%
Club	38,175	675	38,850	5.40%
Westferry 1	14,068	249	14,317	1.99%
Hotel	118,767	2,100	120,867	16.80%
	706,945	12,500	719,445	

<u>Six months from 1st October 2016 to 31st March 2017</u>	RF contribution		Total £	
	SC receivable £	receivable £		
Residential	396,563	7,012	403,575	56.20%
Car Park	131,247	2,321	133,568	18.60%
Commercial in Residential	7,127	126	7,253	1.01%
Club	38,104	674	38,778	5.40%
Westferry 1	14,042	248	14,290	1.99%
Hotel	118,546	2,096	120,642	16.80%
	705,628	12,477	718,105	

7. Estate expenditure split

<u>Six months from 1st April 2016 to 30th September 2016</u>	SC		Total £	
	expenditure £	RF expenditure £		
Residential	(369,609)	(7,025)	(376,634)	56.20%
Car Park	(122,326)	(2,325)	(124,651)	18.60%
Commercial in Residential	(6,642)	(126)	(6,769)	1.01%
Club	(35,514)	(675)	(36,189)	5.40%
Westferry 1	(13,088)	(249)	(13,336)	1.99%
Hotel	(110,488)	(2,100)	(112,588)	16.80%
	(657,668)	(12,500)	(670,168)	

<u>Six months from 1st October 2016 to 31st March 2017</u>	SC		Total £	
	expenditure £	RF expenditure £		
Residential	(387,521)	(7,012)	(394,534)	56.20%
Car Park	(128,254)	(2,321)	(130,575)	18.60%
Commercial in Residential	(6,964)	(126)	(7,090)	1.01%
Club	(37,235)	(674)	(37,909)	5.40%
Westferry 1	(13,722)	(248)	(13,970)	1.99%
Hotel	(115,843)	(2,096)	(117,939)	16.80%
	(689,540)	(12,477)	(702,017)	

8a Communal electricity

In addition to the pages reflecting costs of each sector it was considered necessary to show the collection and allocation of electricity costs for the second half year. This is because the collection of demands should come under the service charge collection mechanism. Whereas for the first six months insufficient information is available.

For transparency, a separate schedule on page 14, shows the electricity workings and the amounts transferred to each cost schedule and is shown as a separate adjustment at the bottom of each relevant income and expenditure account. It is also important to note that the Estate element of the communal electricity recharge has been allocated directly to the individual schedules to ensure correct allocation post VAT deduction.

8b Water rates

Second half year figures show recharged water offsetting the cost in the commercial schedules as consistent with prior years however the first half year trial balance reflected an income recharge but no evidence of costs.

8c Gas

Second half year figures show recharged gas offsetting the cost in the commercial schedules as consistent with prior years however the first half year trial balance reflected no evidence of an income recharge.

8d Value Added Tax (VAT)

and
8e

A separate page showing VAT workings for the second six months has been shown. It should be noted that the treatment of VAT is different between periods. The first period shows a mix of net and gross with irrecoverable VAT on the residential element shown as a separate cost line, whereas in the second period each item of expenditure is shown gross where the VAT cannot be recovered.