

**CANARY RIVERSIDE ESTATE**

**SERVICE CHARGE STATEMENT OF ACCOUNT**

**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

**NOTE: THESE ACCOUNTS SHOW ACTUAL EXPENDITURE OVER SIX MONTHS AGAINST  
BUDGETED EXPENDITURE OVER TWELVE MONTHS**

# CANARY RIVERSIDE ESTATE

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

**LETTER OF REPRESENTATION FROM MR A COATES TO ACCOUNTANT**

**FROM 1 APRIL TO 30 SEPTEMBER 2019**

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 and I am 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. My appointment ceased on 30th September 2019.

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 for the period from 1st April to 30th September 2019, 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.

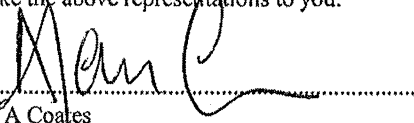
Where necessary, the allocation of relevant expenditure across the various service charge sectors including that relating to the above property is in accordance with the lease.

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.

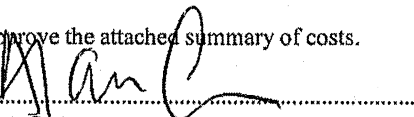
All service charge monies managed by me are held separately in trust in accordance with section 42 of the Landlord and Tenant Act 1987 in designated interest bearing accounts with Barclays Bank plc and the balances reconciled to the fund balances shown in the statement of account.

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 myself that I can make the above representations to you.

  
.....  
Mr A Coates

18/12/2019

**ALAN COATES' DECLARATION**

I approve the attached summary of costs.  
  
.....  
Mr A Coates

18/12/2019

**CANARY RIVERSIDE ESTATE**  
**INDEPENDENT ACCOUNTANTS' REPORT**  
**FROM 1 APRIL TO 30 SEPTEMBER 2019**

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 3 to 19 in respect of Canary Riverside Estate for the period from 1st April to 30th September 2019 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 was 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. His appointment ceased on 30th September 2019. 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**

Our work in respect of the period from 1st April to 30th September 2019 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 the landlord;
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.
- 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.

*Su uqf hsd*

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

Date 18/12/2019.

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT: ALL SECTORS - SUMMARY**  
**FROM 1 APRIL TO 30 SEPTEMBER 2019**

	TOTAL ESTATE	TOTAL: RESIDENTIAL FLATS	TOTAL: CAR PARK (RESIDENTIAL)	COMMERCIAL (incl CAR PARK)	TOTAL ACTUAL
	£	£	£	£	£
<b>Income relating to the period</b>					
Service charge receivable (demanded on account )	690,107	913,508	93,755	109,636	1,807,006
Interest received net	-	1,279	-	-	1,279
Gas recharge	-	-	-	2,035	2,035
Water recharge	-	-	-	49,098	49,098
<b>Total income</b>	<b>690,107</b>	<b>914,787</b>	<b>93,755</b>	<b>160,769</b>	<b>1,859,418</b>
<b>Expenditure relating to the period</b>	<b>(925,889)</b>	<b>(643,400)</b>	<b>(62,890)</b>	<b>(107,344)</b>	<b>(1,739,523)</b>
<b>Surplus/(deficit) for the year</b>	<b>(235,782)</b>	<b>271,387</b>	<b>30,865</b>	<b>53,425</b>	<b>119,895</b>
<b>Transfers (to)/from reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(235,782)</b>	<b>271,387</b>	<b>30,865</b>	<b>53,425</b>	<b>119,895</b>
<b>Net contribution from other blocks</b>	<b>235,782</b>	<b>(132,509)</b>	<b>(31,648)</b>	<b>(71,625)</b>	<b>(235,782)</b>
<b>Surplus/(deficit) before recharges and VAT</b>	<b>-</b>	<b>138,878</b>	<b>(783)</b>	<b>(18,200)</b>	<b>119,895</b>
Electricity - recharged	-	(109,429)	(29,216)	(27,988)	(166,633)
Recoverable VAT	-	-	-	57,053	57,053
<b>Balance to be credited to/(collected from) tenants</b>	<b>-</b>	<b>29,449</b>	<b>(29,999)</b>	<b>10,865</b>	<b>10,315</b>

**BALANCE SHEET - SUMMARY**

	TOTAL 01/04/2019 to 30/09/2019 £	TOTAL Year ended 31/03/2019 £
<b>ASSETS</b>	7,328,973	5,356,081
<b>LIABILITIES</b>	4,691,666	2,955,780
<b>NET ASSETS</b>	<b>2,637,307</b>	<b>2,400,301</b>
<b>REPRESENTED BY:-</b>		
<b>Reserve fund</b>	<b>2,637,307</b>	<b>2,400,301</b>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - ESTATE**  
**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	01/04/2019 to 30/09/2019	Year ended 31/03/2020	Year ended 31/03/2019
Note	Actual £	Budget £	Actual £
<b>Income relating to the period</b>			
Service charge receivable (demanded on account)	690,107	1,380,213	1,182,195
Estate Service Charge receivable transferred to relevant blocks	(690,107)	(1,380,213)	(1,182,195)
<b>Total income</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditure relating to the period</b>			
<b>Staffing</b>			
Contracts and management staff	70,034	168,000	158,851
Uniforms and training	287	2,000	403
Staff recruitment	-	2,000	-
<b>Utilities</b>			
Electricity	-	125,000	-
Telephone / MOB / Radios	716	2,200	3,006
<b>Contracts, maintenance and services</b>			
Door entry system and barrier maintenance	1,212	5,000	400
Drainage system	680	5,000	4,126
Fire alarm / equipment maintenance	5,738	9,000	7,125
General repairs and maintenance	1,415	30,000	16,475
Security / CCTV	199,713	350,000	393,514
Pest control	915	3,000	1,677
Mechanical and electrical maintenance	69,122	140,000	149,918
Electrical repairs	3,296	2,000	3,050
Lift maintenance contract	2,039	5,000	3,779
Cleaning - general	6,106	13,000	11,711
Materials and lamps	-	5,000	-
Maintenance and cleaning materials	-	2,000	-
<b>Insurance</b>			
Public liability insurance	2,688	-	2,688
<b>Professional fees</b>			
Independent accountants fee	12,360	15,000	9,600
Legal fees	327,396	275,000	447,511
Asbestos survey	900	-	4,260
Health and safety	1,580	5,000	-
Management fees	88,988	148,313	173,634
Other management fees	13,014	25,200	40,016
Other professional fees	114,272	35,000	153,407
<b>General expenses</b>			
Bank charges	57	500	927
Sundry expenses (inc. materials)	3,361	8,000	6,021
<b>Total sector expenditure</b>	<u>925,889</u>	<u>1,380,213</u>	<u>1,592,099</u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - ESTATE (continued)**  
**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	01/04/2019 to 30/09/2019 Actual £	Year ended 31/03/2020 Budget £	Year ended 31/03/2019 Actual £
<b>Note</b>			
<b><u>SUMMARY</u></b>			
<b>Total income</b>	6	690,107	1,380,213
<b>Total expenditure</b>	7	(925,889)	(1,380,213)
<b>(Deficit) for the period</b>		(235,782)	-
<b>Net contribution from other blocks</b>		235,782	409,904
		-	-

**Estate income split**

		SC receivable 01/04/2019 to 30/09/2019 £	SC receivable Year ended 31/03/2019 £
Residential	56.20%	387,840	664,393
Car Park	18.60%	128,360	219,889
Commercial in Residential	1.01%	6,970	11,940
Club	5.40%	37,266	63,839
Westferry 1	1.99%	13,733	23,525
Hotel	16.80%	115,938	198,609
		690,107	1,182,195

**Estate expenditure split**

		SC expenditure 01/04/2019 to 30/09/2019 £	SC expenditure Year ended 31/03/2019 £
Residential	56.20%	520,350	894,760
Car Park	18.60%	172,215	296,130
Commercial in Residential	1.01%	9,351	16,080
Club	5.40%	49,998	85,973
Westferry 1	1.99%	18,425	31,683
Hotel	16.80%	155,549	267,473
		925,889	1,592,099

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR  
CANARY RIVERSIDE ESTATE  
INCOME AND EXPENDITURE ACCOUNT - RESIDENTIAL  
FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	01/04/2019 to 30/09/2019	Year ended 31/03/2020	Year ended 31/03/2019
Note	Actual £	Budget £	Actual £
<b>Income relating to the period</b>			
Service charge receivable (demanded on account)	913,508	1,827,015	2,031,470
Estate Service Charge receivable	387,840	775,679	664,393
Interest received net	1,279	-	2,562
<b>Total income</b>	<b>1,302,627</b>	<b>2,602,694</b>	<b>2,698,425</b>
<b>Expenditure relating to the period</b>			
<b>Staffing</b>			
Concierge	108,792	240,000	213,354
Uniforms and training	1,873	2,000	461
Staff recruitment	-	3,000	-
<b>Utilities</b>			
Electricity - communal	8a -	300,000	-
Gas	17,257	45,000	48,026
Water rates	8f 46,754	100,000	52,024
Telephone / MOB / Radios	1,602	4,400	2,925
<b>Contracts, maintenance and services</b>			
Door entry/barrier maintenance	122	5,000	3,862
Fire alarm / equipment maintenance	3,240	2,000	-
General repairs and maintenance	35,123	60,000	35,580
Light bulbs and fittings	1,316	7,000	1,291
Water softener	791	2,000	2,162
Mechanical and electrical maintenance	77,764	140,000	125,623
Electrical repairs	590	9,000	1,436
Lift contract and maintenance	47,254	125,000	107,321
Cleaning - general	59,600	117,000	114,910
Window cleaning	11,490	52,500	36,437
Rubbish removal	10,472	21,000	18,117
Gardening and landscaping	9,784	22,500	20,070
Property vehicle/transport costs	519	1,500	1,714
Canary Wharf irrigation charge	-	10,400	10,126
Satellite / TV / aerials maintenance	-	3,000	4,051
Cradle maintenance	6,048	11,000	13,404
Irrecoverable estate VAT	8b -	125,715	-
<b>Insurance</b>			
Building and terrorism insurance	160,196	320,000	299,321
Engineering insurance	5,359	11,300	10,509
Insurance claims	160	-	-
<b>Professional fees</b>			
Legal fees	-	25,000	-
Other managing agents costs - staff admin	20,003	43,200	39,104
Combined health and safety and fire risk assessment	4,800	6,500	6,240
Other professional fees	10,898	10,000	1,565
<b>General expenses</b>			
Postage and photocopying	771	-	1,543
Sundry expenses	822	2,000	1,524
<b>Total sector expenditure carried forward</b>	<b>643,400</b>	<b>1,827,015</b>	<b>1,172,700</b>



**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - RESIDENTIAL (Continued)**  
**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	01/04/2019 to 30/09/2019 Actual £	Year ended 31/03/2020 Budget £	Year ended 31/03/2019 Actual £
<b><u>SUMMARY</u></b>			
<b>Total income</b>	1,302,627	2,602,694	2,698,425
<b>Total sector expenditure brought forward</b>	(643,400)	(1,827,015)	(1,172,700)
<b>Estate expenditure contribution</b>	7 (520,350)	(775,679)	(894,760)
<b>Surplus before recharges</b>	138,878	-	630,965
<b>Electricity - recharged</b>	8a (109,429)	-	(220,211)
<b>Balance to be credited to tenants</b>	29,449	-	410,754

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

**INCOME AND EXPENDITURE ACCOUNT - CAR PARK**

**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	01/04/2019 to 30/09/2019	01/04/2019 to 30/09/2019	01/04/2019 to 30/09/2019	Year ended 31/03/2020	Year ended 31/03/2020	Year ended 31/03/2020	Year ended 31/03/2019
	Actual			Budget			
Note	Hotel and Commercial £	Residential (Gross) £	Total actual £	Hotel and Commercial £	Residential (Gross) £	Budget £	Actual £
<b>Income relating to the period</b>							
Service charge receivable (demanded on account)	14,522	93,755	108,277	29,043	187,528	216,571	189,645
Estate Service Charge receivable	35,846	92,514	128,360	71,632	185,087	256,720	219,889
<b>Total income</b>	<b>50,368</b>	<b>186,269</b>	<b>236,637</b>	<b>100,675</b>	<b>372,615</b>	<b>473,291</b>	<b>409,534</b>
<b>Expenditure relating to the period</b>							
<b>Utilities</b>							
Electricity	-	-	-	20,944	54,055	74,999	-
<b>Contracts, maintenance and services</b>							
Gates/shutter/barrier maintenance	368	951	1,319	1,117	2,882	3,999	401
General repairs and maintenance	596	1,540	2,136	1,397	3,604	5,001	3,670
Mechanical and electrical, engineering and plant maintenance	-	-	-	4,189	10,811	15,000	-
Electrical repairs	87	223	310	1,397	3,604	5,001	504
Irrecoverable estate VAT	-	-	-	-	36,871	36,871	-
<b>Insurance</b>							
Buildings and terrorism insurance	-	38,225	38,225	-	73,000	73,000	74,026
Engineering insurance	-	1,279	1,279	-	2,700	2,700	2,507
Adjustment to cost allocation 2018	(20,672)	20,672	-	-	-	-	-
<b>Total sector expenditure</b>	<b>(19,621)</b>	<b>62,890</b>	<b>43,269</b>	<b>29,044</b>	<b>187,527</b>	<b>216,571</b>	<b>81,108</b>
<b>SUMMARY</b>							
<b>Total income</b>	50,368	186,269	236,637	100,675	372,615	473,291	409,534
<b>Total sector expenditure as above</b>	19,621	(62,890)	(43,269)	(29,044)	(187,527)	(216,571)	(81,108)
<b>Estate expenditure contribution</b>	7 (48,053)	(124,162)	(172,215)	(71,632)	(185,087)	(256,720)	(296,130)
<b>Surplus/(deficit) before recharges and VAT</b>	21,936	(783)	21,152	-	-	-	32,296
Electricity - recharged	8a (11,801)	(29,216)	(41,017)	-	-	-	(77,773)
Recoverable VAT	8b 8,761	-	8,761	-	-	-	14,025
<b>Balance to be credited to/(collected from) tenants</b>	<b>18,896</b>	<b>(29,999)</b>	<b>(11,104)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,452)</b>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - COMMERCIAL IN RESIDENTIAL (CIR)**  
**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	01/04/2019 to 30/09/2019	Year ended 31/03/2020	Year ended 31/03/2019
Note	Actual £	Budget £	Actual £
<b>Income relating to the period</b>			
Service charge receivable (demanded on account)	19,738	34,000	37,968
Estate Service Charge receivable	8,085	13,940	13,864
Gas recharge	2,035	-	4,336
Water recharge	3,692	-	18,707
<b>Total income</b>	<b>33,550</b>	<b>47,940</b>	<b>74,875</b>
<b>Expenditure relating to the period</b>			
<b>Utilities</b>			
Electricity	-	2,300	-
Gas recharge expense	2,035	-	4,336
Water recharge expense	3,692	-	18,707
<b>Contracts, maintenance and services</b>			
General repairs and maintenance	1,290	2,000	1,415
Window cleaning	900	1,200	510
Rubbish removal	12,823	27,000	23,277
Property vehicle/transport costs	519	1,500	1,714
<b>Total sector expenditure</b>	<b>21,259</b>	<b>34,000</b>	<b>49,959</b>
 <b>SUMMARY</b>			
<b>Total income as above</b>	33,550	47,940	74,875
<b>Total sector expenditure as above</b>	(21,259)	(34,000)	(49,959)
<b>Estate expenditure contribution</b>	7 (9,351)	(13,940)	(16,080)
<b>Surplus before recharges and VAT</b>	2,940	-	8,836
Electricity - recharged	8a (3,534)	-	(2,248)
Recoverable VAT	8b 4,048	-	7,135
<b>Balance to be credited to tenants</b>	<b>3,454</b>	<b>-</b>	<b>13,723</b>

## SERVICE CHARGE STATEMENT OF ACCOUNT FOR

## CANARY RIVERSIDE ESTATE

## INCOME AND EXPENDITURE ACCOUNT - CLUB

FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019

		01/04/2019 to 30/09/2019	Year ended 31/03/2020 Budget	Year ended 31/03/2019 Actual
	Note	Actual £	£	£
<b>Income relating to the period</b>				
Service charge receivable (demanded on account)		31,750	63,500	120,300
Estate Service Charge receivable	6	37,266	74,532	63,839
Window cleaning recharge		-	-	5,587
Water recharge		19,290	-	38,809
<b>Total income</b>		<b>88,306</b>	<b>138,032</b>	<b>228,535</b>
<b>Expenditure relating to the period</b>				
<b>Utilities</b>				
Electricity	8a	-	12,000	-
Water recharge expense		19,290	-	38,809
<b>Contracts, maintenance and services</b>				
General repairs and maintenance		4,822	4,000	1,148
Property vehicle/transport costs		519	1,500	1,714
Lift maintenance contract		7,737	16,000	15,857
Window cleaning		-	-	5,587
Rubbish removal		12,823	27,000	23,276
Water softener / materials and lamps		145	3,000	1,066
<b>Total sector expenditure</b>		<b>45,336</b>	<b>63,500</b>	<b>87,457</b>
 <b>SUMMARY</b>				
<b>Total income as above</b>		88,306	138,032	228,535
<b>Total expenditure as above</b>		(45,336)	(63,500)	(87,457)
<b>Estate expenditure contribution</b>	7	(49,998)	(74,532)	(85,973)
<b>(Deficit)/surplus before recharges and VAT</b>		(7,028)	-	55,104
Electricity - recharged	8a	(2,678)	-	(7,119)
Recoverable VAT	8b	12,143	-	23,486
<b>Balance to be credited to tenants</b>		<b>2,437</b>	<b>-</b>	<b>71,472</b>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - WESTFERRY 1**  
**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	01/04/2019 to 30/09/2019	Year ended 31/03/2020	Year ended 31/03/2019
	Actual £	Budget £	Actual £
<b>Income relating to the period</b>			
Service charge receivable (demanded on account)	14,250	28,500	27,300
Estate Service Charge receivable	6 13,733	27,465	23,525
<b>Total income</b>	<u>27,983</u>	<u>55,965</u>	<u>50,825</u>
<b>Expenditure relating to the period</b>			
<b>Contracts, maintenance and services</b>			
Rubbish removal	12,823	27,000	23,277
Property vehicle/transport costs	519	1,500	1,714
<b>Total sector expenditure</b>	<u>13,342</u>	<u>28,500</u>	<u>24,991</u>
 <b><u>SUMMARY</u></b>			
<b>Total income as above</b>	27,983	55,965	50,825
<b>Total sector expenditure as above</b>	(13,342)	(28,500)	(24,991)
<b>Estate expenditure contribution</b>	7 <u>(18,425)</u>	<u>(27,465)</u>	<u>(31,683)</u>
<b>(Deficit) before recharges and VAT</b>	(3,784)	-	(5,849)
Electricity - recharged	8a (598)	-	(961)
Recoverable VAT	8b 5,029	-	9,421
<b>Balance to be credited to tenants</b>	<u>647</u>	<u>-</u>	<u>2,611</u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - HOTEL**  
**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	01/04/2019 to 30/09/2019	Year ended 31/03/2020	Year ended 31/03/2019
	Actual £	Budget £	Actual £
<b>Income relating to the period</b>			
Service charge receivable (demanded on account)	28,260	56,520	98,500
Estate Service Charge receivable	6 115,938	231,876	198,609
Water recharge	26,116	-	46,284
<b>Total income</b>	<u>170,314</u>	<u>288,396</u>	<u>343,393</u>
<b>Expenditure relating to the period</b>			
<b>Utilities</b>			
Electricity	8a -	10,000	-
Water recharge expense	26,116	-	46,284
<b>Contracts, maintenance and services</b>			
General repairs and maintenance	4,502	4,000	1,148
Electrical repairs	-	1,200	526
Water softener/ materials and lamps	145	3,000	1,065
Rubbish removal	12,823	27,000	23,277
Landscaping and gardening	2,923	6,720	5,995
Property vehicle/transport costs	519	1,500	1,714
Canary Wharf irrigation charge	-	3,100	3,025
<b>Professional fees</b>			
Legal and professional fees	-	-	12,876
<b>Total expenditure</b>	<u>47,028</u>	<u>56,520</u>	<u>95,910</u>
<b><u>SUMMARY</u></b>			
<b>Total income as above</b>	170,314	288,396	343,393
<b>Total expenditure as above</b>	(47,028)	(56,520)	(95,910)
<b>Estate expenditure contribution</b>	7 (155,549)	(231,876)	(267,473)
<b>(Deficit) before recharges and VAT</b>	<u>(32,263)</u>	-	<u>(19,990)</u>
Electricity - recharged	8a (9,377)	-	(14,952)
Recoverable VAT	8b 27,072	-	51,265
<b>Balance brought forward</b>	-	-	-
<b>Balance to be (collected from)/credited to tenants</b>	<u>(14,568)</u>	<u>-</u>	<u>16,323</u>

## SERVICE CHARGE STATEMENT OF ACCOUNT FOR

## CANARY RIVERSIDE ESTATE

## INCOME AND EXPENDITURE ACCOUNT - ELECTRICITY

FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019

01/04/2019 to  
30/09/2019

£

Electricity - Wholesale	760,378
Directly recharged to all tenants / units	(639,465)
	<u>120,913</u>
Electricity: VAT recoverable element	(97,445)
Net electricity position	<u>23,468</u>
Release of remaining over collection to 31/03/2019	(41,187)
Accruals	139,656
Electricity cost	<u>121,937</u>
30/09/2019 over collection shown as other creditor	44,696 refer Note 8a
Electricity cost	<u><u>166,633</u></u> refer Note 8a

**Electricity cost divided per sector in addition to direct unit recharges as follows:**

	RESIDENTIAL	CP RES	CP COMM	CIR	HOTEL	WFI	CLUB	TOTAL
	56.20%	13.41%	5.19%	1.40%	16.80%	1.60%		
Estate residential	25,288	6,034						31,322
Estate commercial			2,335	630	7,559	720	2,430	13,674
Car Park residential		30,670						30,670
Car Park commercial			11,884					11,884
Residential	112,188							112,188
CIR				3,192				3,192
Club					3,730			3,730
Hotel							1,159	1,159
	<u>137,476</u>	<u>36,704</u>	<u>14,219</u>	<u>3,822</u>	<u>11,290</u>	<u>720</u>	<u>3,588</u>	<u>207,819</u>
Release of net over collection to 31/03/2019	(28,047)	(7,488)	(2,417)	(288)	(1,913)	(122)	(911)	(41,187)
TOTAL RECHARGE TO SECTORS as at 31/09/2019	<u>109,429</u>	<u>29,216</u>	<u>11,801</u>	<u>3,534</u>	<u>9,377</u>	<u>598</u>	<u>2,678</u>	<u>166,633</u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - VAT (EXCLUDING ELECTRICITY)**  
**FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

	CP COMM	CIR	CLUB	WF1	HOTEL	TOTAL
VAT recoverable as per VAT returns to 30/09/2019	8,844	4,064	12,228	5,060	27,340	57,536
Additional VAT recoverable for invoices received after return period	(83)	(16)	(86)	(32)	(267)	(483)
Net credit recoverable	<u>8,761</u>	<u>4,048</u>	<u>12,143</u>	<u>5,029</u>	<u>27,072</u>	<u>57,053</u>
VAT Due to be recovered at 31/03/2019						67,329
Output VAT (on commercial invoices)						(295,030)
Input VAT						57,053
Input VAT (electricity element) Recovered						82,325
Input VAT (electricity element) Recovered						15,120
Net VAT Paid to 30/09/2019						<u>5,512</u>
Payment due per Balance Sheet						<u>(67,692)</u>



## SERVICE CHARGE STATEMENT OF ACCOUNT FOR

## CANARY RIVERSIDE ESTATE

## RESERVE FUND

FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019

	Estate reserve £	Residential flats reserve £	Car park reserve £	Commercial reserve - held by landlord £	Commercial in residential reserve £	Total £
<b>Balance brought forward</b>	1,160,727	898,092	329,627	11,081	774	2,400,301
<b>Income</b>						
Demanded in year	185,299	176,251	12,499	-	-	374,049
Interest received net	388	-	-	-	-	388
<b>Expenditure in period</b>						
Smart meters and installation	(5,382)	-	-	-	-	(5,382)
Water tanks work, boiler/pipework repairs/replacement and fire alarm smoke sensor costs	-	(105,931)	-	-	-	(105,931)
Car park light replacement	-	-	(10,837)	-	-	(10,837)
External fire shutter	-	-	(9,418)	-	-	(9,418)
P1 Sprinkler pipe repair	-	-	(2,787)	-	-	(2,787)
Roller Shutter Door remedial	-	-	(3,052)	-	-	(3,052)
Bank charges	(24)	-	-	-	-	(24)
<b>Balance carried forward</b>	1,341,008	968,412	316,032	11,081	774	2,637,307

## SERVICE CHARGE STATEMENT OF ACCOUNT FOR

## CANARY RIVERSIDE ESTATE

## BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	30/09/2019 £	31/03/2019 £
<b>ASSETS</b>			
Service charges due - Commercial	8e	1,742,061	907,041
Service charges due - Residential	8e	2,344,819	933,416
Accrued income		-	396,547
Other debtors		58,820	68,010
Amounts due from landlord	8c	433,061	433,061
Electricity debtor	8a	1,768,857	837,492
VAT control	8b	-	67,329
Prepayments		152	22,312
Bank and cash at bank - CREM	3	55,397	55,397
Bank and cash at bank - HML	3 / 5	925,807	1,635,477
		<u>7,328,973</u>	<u>5,356,081</u>
<b>LIABILITIES</b>			
Service charges paid in advance - Commercial		1,515	-
Service charges paid in advance - Residential		16,680	654,533
Deferred income	8e	2,823,082	-
Trade creditors		160,178	81,872
VAT control	8b	67,692	-
Accruals		1,516,441	1,357,954
Other creditors		95,763	84,441
Surplus from 31.3.2016 to be credited		-	293,549
Surplus for year to be credited		10,315	483,431
		<u>4,691,666</u>	<u>2,955,780</u>
<b>NET ASSETS</b>		<u>2,637,307</u>	<u>2,400,301</u>
<b>REPRESENTED BY:-</b>			
Income and expenditure account		-	-
<b>Reserve fund</b>			
Estate reserve		1,341,008	1,160,727
Residential flats reserve		968,412	898,092
Car park reserve - includes commercial funds held by landlord		316,031	329,627
Commercial reserve - held by landlord		11,081	11,081
Commercial in residential reserve		774	774
		<u>2,637,307</u>	<u>2,400,301</u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR  
CANARY RIVERSIDE ESTATE  
NOTES TO THE ACCOUNTS  
FROM 1ST APRIL 2019 TO 30TH SEPTEMBER 2019**

**1. Accounting policies**

The statement of account has 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. The six month period from 1st April 2019 to 30th September 2019 has been compared to the budget for the year ended 31st March 2020, and the comparative for the year ended 31st March 2019. This presentation takes into account that many costs do not accrue on a monthly basis throughout the year.

**2. 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.

**3. Cash at bank**

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, with the exception of the funds held by CREM.

**4. Transactions with related entities**

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

Shaw & Co (Chartered) Surveyors  
HML PM Ltd  
HML Concierge Services

**5. Summary of client bank account movements - held by HML**

	£
Balance brought forward 1 April 2019	1,635,477
Movement in year	(709,670)
Balance carried forward 30 September 2019	<u>925,807</u>

**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.

	SC receivable	
	£	
Residential	387,840.13	56.20%
Car Park	128,359.90	18.60%
Commercial in Residential	6,970.08	1.01%
Club	37,265.78	5.40%
Westferry 1	13,733.13	1.99%
Hotel	<u>115,937.98</u>	16.80%
	690,107.00	

CiR percentage allocation totals 116% due to the inclusion of Tower Quay that was not previously included within the Commercial in Residential schedule upon handover from Marathon Estates Limited.

In the absence of definitive figures, an issue compounded by the subsequent leasing of additional office and storage space to Tower Quay, the unit's percentage was estimated at 16% with adjustment of costs proportionally, occurring with the finalising of the accounts, amounting to £1,115 (£1,924 in year to 31.03.2019).

**7. Estate expenditure split**

	SC expenditure	
	£	
Residential	520,349.62	56.20%
Car Park	172,215.35	18.60%
Commercial in Residential	9,351.48	1.01%
Club	49,998.01	5.40%
Westferry 1	18,425.19	1.99%
Hotel	<u>155,549.35</u>	16.80%
	925,889.00	

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR  
CANARY RIVERSIDE ESTATE  
NOTES TO THE ACCOUNTS  
FROM 1 APRIL TO 30 SEPTEMBER 2019**

**8a Communal electricity**

The methodology for the recharging of electricity is made up of a combination of charges based on metered consumption and, where not available, estimated charges based on historic average annualised consumption. Due to the requirement to estimate a unit rate at the beginning of the wholesale contract period wholesale costs will not exactly match sums recharged. As further information throughout the period becomes available, credit or debit adjustments may be applied as applicable. Once a financial period is completed any surplus or deficit balance in the electricity account will be applied on an apportioned basis to the communal service charge schedules.

For transparency, a separate schedule on page 13 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.

**8b Value Added Tax (VAT)**

VAT apportionments for the period have been shown on page 14. Each item of expenditure is shown gross. Where the VAT can be recovered it is shown as a separate line item reducing the expenditure on the applicable schedule.

**8c Amounts due to / from landlord**

Included under various balance sheet headings are amounts due to and from the Landlord, and which may be summarised as follows:

<b>Total owed by CREM to CRE Service Charge</b>	<b>Reference to Balance Sheet</b>
<b>Services Charges</b>	
Service charge due	482,820 Within "Service Charges Due" (Assets)
Battery Club Payment (2018 - shown under liabilities)	(37,641) Within "Amounts Due from Landlord" (Assets)
Debt from managing agent prior to MEL appointment to be paid by CREM	101,820 Within "Amounts Due from Landlord" (Assets)
Canary Wharf Charges (less deferred income release)	251,902 Within "Amounts Due from Landlord" (Assets)
Battery Club Electricity demands 01/10/16-31/12/18	3,896 Within "Electricity Debtor" (Assets)
Sub Total	<u>802,797</u>
<b>Commercial disputes</b>	
VA legal cost - not recoverable	28,910 Within "Service Charges Due" (Assets)
Café Brera: statute barred debt	23,244 Within "Service Charges Due" (Assets)
28 West	12,880 Within "Service Charges Due" (Assets)
VA balancing charges	15,744 Within "Service Charges Due" (Assets)
Gioma	13,620 Within "Service Charges Due" (Assets)
Sub Total	<u>94,398</u>
<b>Miscellaneous</b>	
FTT legal fees (TBC)	103,814 Within "Amounts Due from Landlord" (Assets)
Circus T&H escrow account (TBC)	156,437 Within "Service Charges Due" (Assets)
2017 Office Recovery Cost WIQ	13,165 Within "Amounts Due from Landlord" (Assets)
Sub Total	<u>273,416</u>
Total CREM owe CRE Service Charge	<u><u>1,170,611</u></u>
<b>Total owed by CRE Service Charge to CREM</b>	
<b>Insurance</b>	
Property, Terrorism & Engineering Insurance 01/04/17-30/09/17	187,104 Within "Accruals" (Liabilities)
Public Liability Insurance 01/04/17-31/03/18	2,640 Within "Accruals" (Liabilities)
Property, Terrorism & Engineering Insurance 01/10/17-31/03/18	187,104 Within "Accruals" (Liabilities)
Property, Terrorism & Engineering Insurance 01/04/18-30/09/18	192,132 Within "Accruals" (Liabilities)
Public Liability Insurance 01/04/18-31/03/19	2,688 Within "Accruals" (Liabilities)
Property, Terrorism & Engineering Insurance 30/09/18-31/03/19	192,132 Within "Accruals" (Liabilities)
Public Liability Insurance 01/04/19-30/9/19	2,688 Within "Accruals" (Liabilities)
Property, Terrorism & Engineering Insurance 1/04/19-30/09/19	205,059 Within "Accruals" (Liabilities)
Sub Total	<u>971,546</u>
CW Irrigation charges 2017	12,203 Within "Accruals" (Liabilities)
CW Irrigation charges 2018	13,151 Within "Accruals" (Liabilities)
Sub Total	<u>25,353</u>
<b>CREM claim to historical creditors</b>	
Inenco	50,156 Within "Accruals" (Liabilities)
Sub Total	<u>50,156</u>
Total CRE Service Charge owes CREM	<u><u>(1,047,056)</u></u>
Net balance CREM owe to CRE Service Charge	<u><u>123,556</u></u>

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR  
CANARY RIVERSIDE ESTATE  
NOTES TO THE ACCOUNTS  
FROM 1 APRIL TO 30 SEPTEMBER 2019**

**8d Legal and professional fees**

Following legal advice the cost of all legal fees in connection with the S24 management appointment have been applied to the Estate schedule.

**8e Interim service charge demands and deferred income**

In addition to the second half year's service charge demands of £2,023,082, an additional interim service charge demand in the sum of £800,000 was raised, both prior to 30th September 2019 but which were not due and payable until 1st October 2019. These sums are included in Service charge demands due and a similar sum in deferred income.

**8f Water rates**

The invoices issued by Thames Water for the last 8-9 months appear to have been underestimated due to a faulty meter. Thames Water have been notified of this issue but have not attended to replace the meter. Accruals totalling £20,000 have been allowed for in these accounts.