

To All Tenants
Canary Riverside Estate
Westferry Circus
London E14 8RH

29 September 2021
SU.pc

Dear All,

Service Charge Accounts – Year Ended 31 March 2021

Please find herewith the certified accounts of service charge expenditure for the year ended 31 March 2021. This represents my first full financial year as Section 24 Manager and reflects the further savings in day-to-day costs which I committed to achieving for you.

However, in more recent months we have seen a jump in two of Canary Riverside's most critical costs: energy and insurance. I expect you have all been reading about the unprecedented spike in energy costs and the collapse of many of the supply companies in the last couple of weeks. To give you a taste of the impact on Canary Riverside, last year's electricity contract which we secured by competitive tender amounted to £1.4m. Today we are being quoted more than double, at no less than £3m! The two energy brokers I have been using have never seen such turmoil and uncertainty in the markets.

Whilst most of the price spike has to do with world energy markets and Russia's Nordstream gas pipeline, a significant portion relates to credit risk with so many business failures caused by the pandemic and recessionary pressures. The only way of securing a lower price is to lodge a substantial security deposit which, in the case of SSE (one of the big 6 suppliers) was last week quoting £497,000 to lock-in a better rate.

The second blow has been on insurance, where we have seen a 22% increase on the landlord's premium for the prior year and an increase in the water claims deductible from £1,000 to £25,000 per claim. This leaves us effectively self-insuring for water damage.

In ordinary circumstances, I would have to raise a special levy to cover these huge cost contingencies. Happily this may not be necessary as I am hopeful of covering all these extras from savings achieved in the year to March 2021.

You will see on page 3 of the accounts that we generated a surplus of £622,834 for the year. This was achieved by changes in M&E maintenance, general repairs, window cleaning, refuse collection, staff overtime and cradle maintenance. Costs were further offset by new metering of prior black spots on the electrical distribution grid, whereby further consumption costs could be passed on.

In some areas we exceeded the budget, such as electrical repairs (mainly for the installation of energy-saving LED lighting and motion sensors) fire safety and the new parcel logging system we introduced at the concierge stations; all money well spent.

In the balance sheet, on page 16 of the accounts, you will see that I have made a provision of £500k for the electricity contingency and £120,000 for the increased insurance premium and uninsured water claims losses – all covered by the surplus achieved last year.

So much for the accounts.

On normal management matters, cladding remains the top priority and I still await the government's verdict on our grant funding application. We are not the only estate that is being kept waiting and I can only imagine the weight of paperwork stacked on the ministry's in-tray. Once we have the green light and funding, we will be able to commit to the other external works of cleaning, repair and redecoration which are currently being tendered by the building surveyors, Calford Seaden.

Work has now commenced on the replacement of the card-entry access system and we will soon be writing to you all with details of the switchover plan and method of registering for new access cards. All flat owners will receive new cards, but their subtenants will need to be registered with the landlord as a compliant Assured Shorthold Tenancy of no less than 6 months duration. For further information see: <https://www.canaryriverside.london/letting-your-apartment> Airbnb-type short lettings are not permitted on this estate.

I hope this suitably updates you look forward to receiving your prompt remittance of our recent application for the October 1st half-yearly payment.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sol Unsdorfer', with a large, stylized initial 'S'.

Sol Unsdorfer, FIRPM
Section 24 Manager

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

Glazers
Chartered Accountants
843 Finchley Road
London NW11 8NA

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

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**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
LETTER OF REPRESENTATION FROM S UNSDORFER TO ACCOUNTANT**

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 2019 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.

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 year ended 31st March 2021, 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 to 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.

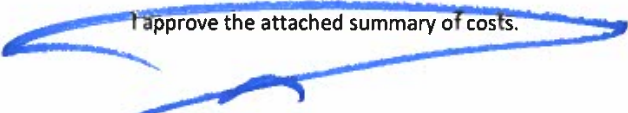
I confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy myself that I can make the above representations to you.



S Unsdorfer
Date: 30.09.2021

SOL UNSDORFER'S DECLARATION

I approve the attached summary of costs.



S Unsdorfer
Date: 30.09.2021

**CANARY RIVERSIDE ESTATE
INDEPENDENT ACCOUNTANTS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

In accordance with our engagement, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out in the following pages for the year ended 31 March 2021 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to Sol Unsorfer who was appointed Manager by the First Tier Tribunal - Property with effect from 1st October 2019 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 Unsorfer and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mr Unsorfer for our work or for this report.

Basis of report

Our work 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 obtain 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 managing agent;
- 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 this property agreed or reconciled to the bank statements for the accounts in which the funds are held.

Because the above procedures do not constitute 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 of account 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 on the service charge accounts agrees or reconciles to the bank statements for the accounts in which the funds are held.



Glaziers Limited
Chartered Accountants
843 Finchley Road
London NW11 8NA

Date: 30.09.2021

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - ALL SECTORS SUMMARY
FOR THE YEAR ENDED 31 MARCH 2021**

	ESTATE	RESIDENTIAL FLATS	CAR PARK (RESIDENTIAL)	COMMERCIAL (incl CAR PARK)	TOTAL
	£	£	£	£	£
Service charge receivable	1,166,653	2,333,839	226,249	234,526	3,961,267
2020 interest transferred to Estate Reserves	-	(2,789)	-	-	(2,789)
Total Income	1,166,653	2,331,050	226,249	234,526	3,958,478
Expenditure relating to the period	(1,001,859)	(1,946,681)	(128,800)	(258,303)	(3,335,644)
Surplus/(Deficit) for the period	164,794	384,368	97,449	(23,778)	622,834
Net contribution from other blocks	(164,794)	92,614	22,231	49,949	-
Surplus/(Deficit) before recharges and Provisions	-	476,983	119,680	26,171	622,834
Provision for electricity shortfall/security deposit	-	(281,000)	(67,050)	(151,950)	(500,000)
Provision for insurance excess and claims shortfall	-	(98,520)	(21,480)	-	(120,000)
Balance to be credited/(collected from) tenants	-	97,463	31,150	(125,779)	2,834

BALANCE SHEET SUMMARY

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
ASSETS	8,034,862	6,345,284
LIABILITIES	(3,213,753)	(2,802,945)
NET ASSETS	4,821,109	3,542,340
REPRESENTED BY:		
Reserve Fund	4,821,109	3,542,340

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - ESTATE
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Budget £	2021 £	2020 £
Income				
Service charge receivable		1,184,153	1,166,653	1,380,214
Estate Service Charge transferred to relevant blocks	4	<u>(1,184,153)</u>	<u>(1,166,653)</u>	<u>(1,380,214)</u>
		-	-	-
Expenditure				
Staffing				
Contracts and management staff		176,437	182,286	151,203
HR Admin Pa		26,466	29,043	14,217
Uniforms and training		2,000	297	872
Staff equipment		-	1,153	9,854
Parcel logging system		-	1,293	-
Staff recruitment		2,000	-	678
Utilities				
Electricity		135,000	-	38,945
Telephone/Mobile/Radios		2,200	853	1,950
Contracts, maintenance and services				
Door entry system		5,000	4,632	2,599
Drainage system		5,000	-	3,356
Fire alarm/equipment maintenance		9,000	20,743	13,480
General repairs and maintenance		30,000	33,037	11,005
Security/CCTV		400,000	399,420	400,923
Pest control		3,000	1,279	1,982
Estate Gator		-	-	689
Mechanical and electrical maintenance (Contract)		140,000	160,310	195,230
Electrical repairs		2,000	678	3,296
Energy, billing & consulting		4,800	5,352	-
Electricity metering contract		-	34,176	-
Sign writing & notices		750	1,255	-
Lift maintenance contract		5,000	3,872	4,458
Cleaning		13,000	13,928	12,878
Light bulbs and fittings		7,000	7,462	1,360
Maintenance and cleaning material		2,000	1,482	118
Insurance				
Public liability insurance		-	2,274	4,924
Other insurance		-	3,478	-
Professional fees				
Accountancy		15,000	9,114	20,360
VAT accounting		-	13,670	-
Prior year VAT accounting		-	6,835	-
Legal fees		150,000	41,974	357,828
Building insurance valuation fee		-	-	5,115
Health and safety		5,000	1,389	4,459
Management fees		-	-	149,797
Other management fees		-	-	13,014
Other professional fees		35,000	12,471	118,232
General expenses				
Bank charges		500	600	57
Interest on late payment		-	(777)	-
Sundry expenses including PPE		8,000	8,278	5,915
Total sector expenditure		<u>1,184,153</u>	<u>1,001,859</u>	<u>1,548,792</u>

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - ESTATE (continued)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Budget	2021 £	2020 £
SUMMARY				
Total income	4	1,184,153	1,166,653	1,380,214
Total expenditure	5	(1,184,153)	(1,001,859)	(1,548,792)
Surplus/(Deficit) for the period		-	164,794	(168,578)
Net contribution (to)/from other blocks		-	(164,794)	168,578
		-	-	-
Estate Income split				
Residential		56.20%	655,659	775,680
Car Park		18.60%	216,997	256,720
Commercial in Residential		1.01%	11,783	13,940
Club		5.40%	62,999	74,532
Westferry 1		1.99%	23,216	27,466
Hotel		16.80%	195,998	231,876
			<u>1,166,653</u>	<u>1,380,214</u>
Estate Expenditure split				
Residential		56.20%	563,045	870,421
Car Park		18.60%	186,346	288,075
Commercial in Residential		1.01%	10,119	15,643
Club		5.40%	54,100	83,635
Westferry 1		1.99%	19,937	30,821
Hotel		16.80%	168,312	260,197
Total sector expenditure			<u>1,001,859</u>	<u>1,548,792</u>

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT -RESIDENTIAL
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Budget £	2021 £	2020 £
Income				
Service charge receivable		2,315,219	2,333,839	1,827,016
Estate service charge receivable	4	-	655,659	775,679
Interest received		-	-	2,789
2020 interest transferred to Estate Reserves		-	(2,789)	-
		<u>2,315,219</u>	<u>2,986,709</u>	<u>2,605,484</u>
Expenditure				
Staffing				
Concierge		267,408	259,032	220,417
HR Admin PA		40,111	39,608	19,492
Uniforms and training		2,000	1,992	3,618
Parcel logging system		-	6,342	-
Staff recruitment		3,000	-	-
Utilities				
Electricity		325,000	207,117	188,437
Gas		50,000	50,923	34,248
Gas - recoverable from commercial		-	(6,789)	-
Water		108,000	217,628	101,912
Water - recoverable from commercial		-	(160,067)	-
Telephone/Mobile/Radios		4,400	2,638	2,293
Contracts, maintenance and services				
Door entry system/ CCTV		15,000	14,871	2,691
Fire alarm/equipment maintenance		2,000	28,486	3,240
General repairs and maintenance		80,000	62,750	75,876
Light bulbs and fittings		8,500	2,508	7,183
Water softener		2,000	684	1,079
Mechanical and electrical maintenance		240,000	75,523	93,800
- Not accrued under previous period		-	-	77,404
Electrical repairs		5,000	48,055	7,169
Sign writing & notices		2,000	594	-
Electricity metering upgrades		36,000	38,028	18,000
Energy, billing & consulting		28,000	31,947	-
Residential Gator		2,000	275	519
Lift maintenance contract and repairs		110,000	101,451	114,061
- Not accrued under previous period		-	-	15,951
Cleaning		117,000	130,917	118,551
Cleaning materials		2,000	1,216	-
Window cleaning		55,000	22,749	24,714
Rubbish removal		59,800	10,436	19,938
Pest control		-	-	457
Gardening and landscaping		26,000	26,391	15,064
Canary Wharf irrigation charge		12,000	10,697	10,697
Satellite/TV/aerials maintenance		3,000	1,541	851
Cradle maintenance		15,000	504	6,048
Insurance				
Building and terrorism insurance		422,000	438,855	320,392
Engineering insurance		9,500	9,889	10,718
Professional fees				
Legal fees		50,000	60,740	14,404
Management fees		195,000	195,000	68,753
Combined health and safety and fire risk assessment		6,500	6,785	13,871
Other professional fees		10,000	2,198	10,898
General expenses				
Sundry expenses		2,000	5,166	1,852
Total sector expenditure		<u>2,315,219</u>	<u>1,946,681</u>	<u>1,624,597</u>

**CANARY RIVERSIDE ESTATE
 SERVICE CHARGE ACCOUNT - RESIDENTIAL (continued)
 FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Budget	2021 £	2020 £
SUMMARY				
Total income		2,315,219	2,986,709	2,605,484
Total sector expenditure		(2,315,219)	(1,946,681)	(1,436,160)
Estate expenditure contribution	5	-	(563,045)	(870,422)
Surplus/(Deficit) before recharges and Provisions		-	476,983	298,902

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT -CAR PARK
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Budget year ended 31 March 2021			2021			2020		
		Hotel and Commercial £	Residential £	Total £	Hotel and Commercial	Residential	Total	Hotel and Commercial £	Residential	Total £
Income										
Service charge receivable		41,237	216,517	257,754	40,447	226,249	266,696	216,554		
Estate service charge receivable	4	60,510	159,742	220,252	59,616	157,381	216,997	256,720		
		<u>101,747</u>	<u>376,260</u>	<u>478,006</u>	<u>100,063</u>	<u>383,631</u>	<u>483,693</u>	<u>473,274</u>		
Expenditure										
Utilities										
Electricity - communal		21,992	60,908	82,900	19,127	49,421	68,548	67,166		
Contracts, maintenance and services										
Gates/shutter/barrier maintenance		5,498	17,402	22,900	973	3,987	4,960	858		
General repairs and maintenance		1,375	4,351	5,726	5,589	20,283	25,872	2,435		
Mechanical and electrical, engineering and plant maintenance		4,124	13,052	17,175	3,714	13,304	17,018	-		
Electrical repairs		1,375	4,351	5,726	6,071	5,851	11,921	310		
Management fees		6,873	21,753	28,626	7,000	21,600	28,600	14,650		
Professional fees		-	-	-	75	225	300	-		
Insurance										
Building and terrorism insurance		-	92,000	92,000	-	11,319	11,319	76,450		
Engineering insurance		-	2,700	2,700	-	2,811	2,811	2,558		
Total sector expenditure		<u>41,237</u>	<u>216,517</u>	<u>257,753</u>	<u>42,549</u>	<u>128,800</u>	<u>171,349</u>	<u>164,426</u>		
SUMMARY										
Total income		101,747	376,260	478,007	100,063	383,631	483,693	473,274		
Total sector expenditure		(41,237)	(216,517)	(257,753)	(42,549)	(128,800)	(171,349)	(97,260)		
Estate expenditure contribution	5	(60,510)	(159,743)	(220,254)	(51,195)	(135,151)	(186,346)	(288,075)		
Surplus/(Deficit) before recharges and VAT		-	-	-	6,319	119,680	125,998	87,938		
Recoverable VAT		-	-	-	-	-	-	13,421		
Surplus/(Deficit) before recharges and Provisions	6a	-	-	-	6,319	119,680	125,998	101,360		

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT -COMMERCIAL IN RESIDENTIAL (CIR)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Budget £	2021 £	2020 £
Income				
Service charge receivable		12,293	16,172	40,592
Estate service charge receivable	4	11,960	11,783	15,055
Gas recharge		-	-	2,035
Water recharge		-	-	3,692
		<u>24,253</u>	<u>27,955</u>	<u>61,374</u>
Expenditure				
Utilities				
Electricity		2,300	5,160	5,502
Gas recharge expense		-	-	2,035
Water recharge expense		-	-	3,692
Contracts, maintenance and services				
Gates/Gates automation		-	-	1,743
General repairs and maintenance		2,000	-	1,290
Window cleaning		1,200	125	1,675
Rubbish removal		4,983	13,132	22,429
CiR - Gator		60	7	519
Management fees		1,749	1,750	962
Total sector expenditure		<u>12,293</u>	<u>20,174</u>	<u>39,847</u>
SUMMARY				
Total income		24,253	27,955	61,374
Total sector expenditure		(12,293)	(20,174)	(39,847)
Estate expenditure contribution	5	<u>(11,960)</u>	<u>(10,119)</u>	<u>(15,642)</u>
Surplus/(deficit) before recharges and VAT		-	(2,338)	5,885
Recoverable VAT	6a	-	-	7,336
(Deficit)/Surplus before recharges and Provisions		<u>-</u>	<u>(2,338)</u>	<u>13,221</u>

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT -CLUB
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Budget £	2021 £	2020 £
Income				
Service charge receivable		59,442	59,442	63,500
Estate service charge receivable	4	63,944	62,999	74,532
Water recharge		-	-	19,290
		<u>123,386</u>	<u>122,441</u>	<u>157,322</u>
Expenditure				
Utilities				
Electricity		12,000	19,901	10,270
Water recharge expense		-	-	19,290
Contracts, maintenance and services				
Gates/gates automation		-	-	1,743
General repairs and maintenance		4,000	(26)	5,558
Electricity metering		-	1,290	-
Mechanical & electrical		-	-	4,111
Club Gator		321	37	519
Lift maintenance contract		16,000	14,948	19,100
Gardening and landscaping		2,000	-	-
Window cleaning		-	490	-
Rubbish removal		9,967	11,916	23,645
Canary Wharf irrigation charge		1,000	-	-
Engineering insurance		1,800	1,874	-
Water softener/materials and lamps		3,000	998	481
Management fees		9,354	9,354	5,144
Total sector expenditure		<u>59,442</u>	<u>60,781</u>	<u>89,862</u>
SUMMARY				
Total income		123,386	122,441	157,322
Total sector expenditure		(59,442)	(60,781)	(89,862)
Estate expenditure contribution		<u>(63,944)</u>	<u>(54,100)</u>	<u>(83,635)</u>
Surplus/(Deficit)		-	7,559	(16,175)
Recoverable VAT	6a	-	-	21,920
Surplus/(Deficit) before recharges and Provisions		<u>-</u>	<u>7,559</u>	<u>5,746</u>

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - WESTFERRY 1
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Budget £	2021 £	2020 £
Income				
Service charge receivable		53,399	53,399	28,500
Estate service charge receivable	4	<u>23,565</u>	<u>23,216</u>	<u>27,466</u>
		<u>76,964</u>	<u>76,615</u>	<u>55,966</u>
Expenditure				
Contracts, maintenance and services				
Gates/Gates automation		-	-	1,743
Electricity		-	5,897	2,847
Electricity metering		-	-	2,148
Rubbish removal		49,833	11,916	23,645
Westferry 1 Gator		118	14	519
Management fees		<u>3,447</u>	<u>3,447</u>	<u>1,896</u>
Total sector expenditure		<u>53,399</u>	<u>21,273</u>	<u>32,798</u>
 SUMMARY				
Total income		76,964	76,615	55,966
Total sector expenditure		(53,399)	(21,273)	(32,798)
Estate expenditure contribution		<u>(23,565)</u>	<u>(19,937)</u>	<u>(30,821)</u>
Surplus/(Deficit)		-	35,405	(7,653)
Recoverable VAT	6a	-	-	9,447
Surplus/(Deficit) before recharges and Provisions		<u>-</u>	<u>35,405</u>	<u>1,794</u>

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - HOTEL
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Budget £	2021 £	2020 £
Income				
Service charge receivable		65,067	65,067	56,520
Estate service charge receivable	4	198,938	195,998	231,876
Water recharge		-	-	26,116
		<u>264,005</u>	<u>261,065</u>	<u>314,512</u>
Expenditure				
Utilities				
Electricity		10,000	61,914	33,895
Water recharge expense		-	-	26,116
Contracts, maintenance and services				
General repairs and maintenance		4,000	-	5,028
Mechanical & electrical		-	-	5,141
Water softener/materials and lamps		3,000	998	481
Rubbish removal		9,967	11,916	23,645
Hotel Gator		1,000	115	519
Landscaping and gardening		7,000	6,821	4,243
Canary Wharf irrigation charge		1,000	2,663	2,663
Professional fees				
Management fees		<u>29,100</u>	<u>29,100</u>	<u>17,814</u>
Total sector expenditure		<u>65,067</u>	<u>113,526</u>	<u>119,545</u>
 SUMMARY				
Total income		264,005	261,065	314,512
Total sector expenditure		(65,067)	(113,526)	(119,545)
Estate expenditure contribution		<u>(198,938)</u>	<u>(168,312)</u>	<u>(260,197)</u>
Surplus/(Deficit)		-	(20,774)	(65,229)
Recoverable VAT	6a	-	-	46,213
Surplus/(Deficit) before recharges and Provisions		<u>-</u>	<u>(20,774)</u>	<u>(19,017)</u>

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

ELECTRICITY

	2021 £	2020 £
Electricity - wholesale	1,768,248	1,994,769
Directly recharged to all tenants/units	<u>(1,295,095)</u>	<u>(1,440,488)</u>
	473,153	554,281
Electricity: VAT recoverable element	<u>(117,745)</u>	<u>(205,877)</u>
Net electricity position	355,408	348,404
Release of remaining over collection	-	(41,187)
Electricity VAT due to HMRC	<u>13,128</u>	<u>-</u>
Electricity cost	<u><u>368,536</u></u>	<u><u>307,217</u></u>

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

	RESIDENTIAL 56.20%	CP RES 13.41%	CP COMM 5.19%	CIR 1.40%	HOTEL 16.80%	WFI 1.60%	CLUB 5.40%	TOTAL
	£	£	£	£	£	£	£	£
Car Park residential		49,421						49,421
Car Park commercial			19,127					19,127
Residential	207,117							207,117
Cir				5,159				5,159
WFI						5,897		5,897
Club							19,901	19,901
Hotel					61,914			61,914
Total recharge to sectors as at 31.3.2021	<u>207,117</u>	<u>49,421</u>	<u>19,127</u>	<u>5,159</u>	<u>61,914</u>	<u>5,897</u>	<u>19,901</u>	<u>368,536</u>

VAT (EXCLUDING ELECTRICITY)

	CP COMM £	CIR £	HOTEL £	WFI £	CLUB £	TOTAL £
Input VAT to 31.3.2021	<u>12,123</u>	<u>5,001</u>	<u>17,229</u>	<u>6,566</u>	<u>36,790</u>	<u>77,709</u>
						£
Balance brought forward						(39,449)
Output VAT Commercial S/C Quarter to 31.03.21						134,283
Input VAT						(77,709)
Output VAT Electricity						225,723
Input VAT Electricity						(212,595)
Accrual for vat on wages						<u>10,029</u>
						40,282
Less VAT paid on account						<u>(34,194)</u>
Due to HMRC						<u><u>6,088</u></u>

**CANARY RIVERSIDE ESTATE
RESERVE FUND
FOR THE YEAR ENDED 31 MARCH 2021**

	Estate Reserve £	Residential flats reserve £	Car Park Residential reserve £	Car Park Hotel and Commercial reserve (Note *) £	Commercial Reserve - held by landlord (Note **) £	Westferry 1 £	Club £	Commercial in residential reserve £	Total £
Balance as at 1st April 2020	1,496,524	1,574,766	107,202	328,532	11,081	17,944	4,201	2,090	3,542,340
Demanded in period	300,000	366,000	47,125	17,870	-	-	-	488	731,483
Cladding redediation contingency	-	600,000	-	-	-	-	-	-	600,000
Interest received (Net)	6,001	293	-	8	2	-	-	-	6,303
Assumed prior period interest	-	-	-	-	44	-	-	-	-
2020 Interest transferred from Residential	2,789	-	-	-	-	-	-	-	2,789
Expenditure incurred	(46,281)	-	(12,414)	(3,155)	-	-	-	-	(61,850)
Balance as at 31st March 2021	<u>1,759,034</u>	<u>2,541,059</u>	<u>141,913</u>	<u>343,254</u>	<u>11,127</u>	<u>17,944</u>	<u>4,201</u>	<u>2,578</u>	<u>4,821,065</u>

Note

* Landlord is holding cash balance of £44,143.35 in account 'Canary Riverside Estate Management Ltd- Commercial Car Park Reserve Fund'.

** Landlord is holding cash balance of £11,127.52 in account 'Canary Riverside Estate Management Ltd- Commercial Reserve Fund'.

CANARY RIVERSIDE ESTATE

BALANCE SHEET AS AT 31 MARCH 2021

	<i>Note</i>	2021		2020	
		£	£	£	£
Assets					
Service charges due - Commercial			1,512,530		1,630,479
Service charges due - Residential			2,298,351		1,322,737
Other debtors			68,925		94,284
Amounts due from landlord	6b		446,299		446,299
Electricity debtor			1,329,873		2,209,816
VAT control			-		154,797
Prepayments			377,202		2,044
Bank and cash at bank - Mel (Landlord)			55,397		55,397
Bank and cash at bank - managing agent			1,946,286		429,432
			<u>8,034,862</u>		<u>6,345,284</u>
Liabilities					
Service charges paid in advance - Commercial			-		7,757
Service charges paid in advance - Residential			229,584		200,545
Trade creditors			222,613		444,965
Accruals			2,070,188		1,946,484
VAT control			6,088		-
Other creditors			62,446		58,115
Provision for electricity shortfall/security deposit			500,000		-
Provision for insurance excess and claims shortfall			120,000		-
Surplus for the year to be credited			2,834		145,077
			<u>(3,213,753)</u>		<u>(2,802,945)</u>
Net assets			<u>4,821,109</u>		<u>3,542,340</u>
Represented by:					
Service charge account			-		-
Reserve Fund					
Estate reserve			1,759,034		1,496,524
Residential flats reserve			2,541,059		1,574,766
Car park reserve, including commercial funds held by landlord			485,167		435,734
Commercial reserve - held by landlord			11,127		11,081
Westferry 1			17,944		17,944
Club			4,201		4,201
Commercial in residential reserve			2,578		2,090
			<u>4,821,109</u>		<u>3,542,340</u>

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ACCOUNTS**

1 Accounting policies

The accounts has been prepared on the accruals and prepayment basis.

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

With the exception of the funds held by CREM, all funds are held in trust in a designated interest bearing client account in the name of Parkgate Aspen Limited Clients Designated Account re Canary Riverside, and are held at Barclays Bank Plc, Leicester LE87 2BB.

4 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	655,659	56.20%
Car Park	216,997	18.60%
Commercial in Residential	11,783	1.01%
Club	62,999	5.40%
Westferry 1	23,216	1.99%
Hotel	195,998	16.80%
	<u>1,166,653</u>	

5 Estate expenditure split

	SC expenditure	
	£	
Residential	563,045	56.20%
Car Park	186,346	18.60%
Commercial in Residential	10,119	1.01%
Club	54,100	5.40%
Westferry 1	19,937	1.99%
Hotel	168,312	16.80%
	<u>1,001,859</u>	

6a Value Added Tax (VAT)

A separate page showing VAT workings for the period has been shown. 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.

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ACCOUNTS (Contd)

6b Amounts due to/from landlord

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

Total owed by CREM to CRE Service Charge	£	Reference to Balance Sheet
Service Charges		
Service charge due	898,614	Within "Service Charges Due" (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)	240,665	Within "Amounts Due from Landlord" (Assets)
Battery Club Electricity 01/10/16-30/09/19	5,219	Within "Electricity Debtor" (Assets)
37 Westferry Circus Electricity 2018-19	4,229	Within "Electricity Debtor" (Assets)
Health Club & Pool Void (Subject to appeal)	355,384	Within "Service Charges Due" & "Electricity Debtor" (Assets)
28 West Void (Subject to appeal)	109,986	Within "Service Charges Due" & "Electricity Debtor" (Assets)
Azzurri Void (Subject to appeal)	28,211	Within "Service Charges Due" & "Electricity Debtor" (Assets)
	<u>1,744,128</u>	
Commercial disputes		
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>	
Miscellaneous		
FTT legal fees (TBC)	103,814	Within "Amounts Due from Landlord" (Assets)
Sub-Total CREM owe CRE Service Charge	<u>1,942,340</u>	
Less Paid on Account by Riverside CREM 3 Ltd	<u>(135,000)</u>	
Total CREM owe CRE Service Charge	<u>1,807,340</u>	
Insurance		
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 01/10/18-31/03/19	192,132	Within "Accruals" (Liabilities)
Public Liability Insurance 01/04/19-31/03/20	2,240	Within "Accruals" (Liabilities)
Property, Terrorism & Engineering Insurance 01/04/19-30/09/19	205,059	Within "Accruals" (Liabilities)
Property, Terrorism & Engineering Insurance 01/10/19-31/03/20	205,059	Within "Accruals" (Liabilities)
Property, Terrorism & Engineering Insurance 01/01/21-31/03/21	116,625	Within "Accruals" (Liabilities)
Sub Total	<u>1,292,783</u>	
CW Irrigation charges 2017	12,203	Within "Accruals" (Liabilities)
CW Irrigation charges 2018	<u>13,151</u>	Within "Accruals" (Liabilities)
Sub Total	25,354	
CREM claim to historical creditors		
Inenco	<u>50,156</u>	Within "Accruals" (Liabilities)
Sub Total	<u>50,156</u>	
Total CRE Service Charge owes CREM	<u>(1,368,293)</u>	
Net balance CREM owe to CRE Service Charge	<u>439,047</u>	

Note: The above position is believed by the Section 24 Manager to be correct, but does not imply acceptance by CREM.

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE ACCOUNTS (Contd)**

6c Legal and professional fees

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

7 Annual declaration

The managing agents, Parkgate Aspen Limited, declare the only source of income derived from the management of this property during the year was management fees, VAT accounting & HR fees, as prescribed in the Section 24 Management Order.