

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

28 September 2020
SU.pc

Dear All,

Service Charge Accounts 2019-20 & Half Yearly Billing

Please find herewith the certified accounts of service charge expenditure for the financial year ended 31 March 2020. These have been based on the first 6 months' costs certified under HML's management and the second half from where I took over on 1st October 2019.

You will be pleased to see the year ended with a surplus of £145,000, almost all of which accrued under my half-year through cost savings and a root & branch review of service contracts and working practices.

Your allocation of this surplus will be credited in your upcoming bill for the half-year commencing 1st October 2020 (or quarterly for commercial tenants).

The other good news is that the savings achieved and ongoing enable me to make a reduction for the next half yearly period which will be lower than last April's bill.

Cost reductions have been achieved in the following areas:

- Replacing HML's site manager with Ronnie McCarthy as facilities manager charged to oversee all maintenance jobs. This has resulted in a sharp reduction in M&E callout charges and ensures that jobs are placed direct with relevant contractors rather than routed through the M&E service contractors Wates, who would charge an uplift on the base costs.
- Initial reduction of Wates' two-man M&E team to one man, followed by our replacement of Wates in July with DMG-Delta at a reduction of 25% in monthly costs.
- Overhauling staff supervision and rostering, resulting in a dramatic reduction in overtime costs.
- Separation of maintenance arrangements as between residential and commercial plantrooms and reassessment of shared costs of waste collection.
- Installing utility meters in areas that weren't previously monitored (e.g. car wash).
- Replacing old and faulty lighting in staircases, plantrooms and other common parts with energy saving LED fittings, with sensors for areas with low traffic. These may produce 80% savings in the future.

One of the major cost components is maintenance of the many lifts on your estate. Unfortunately, these are locked into a 30-year service contract with Otis which has another 10 years to run. We have identified a means of opening-up this contract with a view to achieving some major savings going forward. Discussions have already started.

On management and maintenance, we have repainted the lower lift lobbies, and P1 car park entrances and pillars with P2 level to follow. We have changed all the security staff and installed a clocking-in/out system for them and the other estate staff as a means of monitoring attendance and keeping control on overtime claims. The security staff are now having to use a 'guard tour' system which logs their coverage of locations throughout the estate. We have also added CCTV cameras to cover blind spots in common areas and critical control rooms. We have also installed key safes at concierge stations.

Following the removal of Wates, my team has carried out a full review of safety and compliance and replaced inefficient or uneconomic service providers with new ones at better rates of cost and response. A major neglect was emergency lighting which has now been upgraded as well as safety works in the high voltage switchgear rooms which are now under contract. In this process, compliance logs have been brought up to date along with labelling of key components. We have also repaired or replaced essential equipment from loading bay shutters to pressure washers, which have been used to clean up pathways and the lower gardens.

Going forward we need to upgrade the entry access control system from the outdated and troublesome key-card model. A survey has been carried out to determine the optimum solution as befits the security needs of this high-profile estate and I will notify you all of what will be proposed. Also you will be pleased to hear that Hyperoptic have completed their survey for the installation of high speed broadband, and we are now awaiting a report and proposals to submit to CREM for licencing purposes.

Cladding remains a top priority issue, especially for those trying to sell or refinance their flats. I am attaching our latest bulletin on this subject, which any current vendors may wish to share with their estate agent, solicitor or mortgage lender.

I hope this suitably updates you all and I look forward to receiving your prompt remittance of our (reduced) bill which you will be receiving separately.

Yours sincerely,



Sol Unsdorfer, FIRPM
Section 24 Manager

CANARY RIVERSIDE ESTATE

SERVICE CHARGE ACCOUNTS

FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

**Glazers
Chartered Accountants
843 Finchley Road
London NW11 8NA**

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

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**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020
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 period from 1st October 2019 to 31st March 2020, 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: 25 Sep 2020

SOL UNSDORFER'S DECLARATION

I approve the attached summary of costs.



S Unsdorfer

Date: 25 Sep 2020

**CANARY RIVERSIDE ESTATE
INDEPENDENT ACCOUNTANTS' REPORT
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020**

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 6 months period to 31 March 2020 in order to provide a report of factual findings about the service charge accounts that you have issued.

This report is made to Sol Unsdorfer 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 Unsdorfer and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mr Unsdorfer 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.



Glazers Limited
Chartered Accountants
843 Finchley Road
London NW11 8NA

Date: 25 September 2020

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - ALL SECTORS SUMMARY
FOR THE YEAR ENDED 31 MARCH 2020**

	ESTATE £	RESIDENTIAL FLATS £	CAR PARK (RESIDENTIAL) £	COMMERCIAL (incl CAR PARK) £	TOTAL £
6 MONTHS ENDED 30 SEPTEMBER 2019					
Service charge receivable	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
Total Income	690,107	914,787	93,755	160,769	1,859,417
Expenditure relating to the period	(925,889)	(643,400)	(62,890)	(107,344)	(1,739,523)
Surplus/(deficit) for the period	(235,782)	271,387	30,865	53,425	119,895
Net contribution from other blocks	235,782	(132,509)	(31,648)	(71,625)	(235,782)
Surplus/(deficit) before recharges and VAT	-	138,878	(783)	(18,200)	119,895
Electricity recharged	-	(109,429)	(29,216)	(27,988)	(166,633)
Recoverable VAT	-	-	-	57,053	57,053
Balance to be credited/(collected from) tenants	-	29,449	(29,999)	29,449	10,315
6 MONTHS ENDED 31 MARCH 2020					
Service charge receivable	690,107	913,508	93,755	109,636	1,807,006
Interest received (Net)	-	1,510	-	-	1,510
Gas recharge	-	-	-	-	-
Water Recharge	-	-	-	-	-
Total Income	690,107	915,018	93,755	109,636	1,808,517
Expenditure relating to the period	(622,903)	(792,760)	(51,468)	(107,322)	(1,574,454)
Surplus/(deficit) for the period	67,204	122,258	42,287	2,314	234,062
Net contribution from other blocks	(67,204)	37,768	8,982	20,453	-
Surplus/(deficit) before recharges and VAT	-	160,026	51,269	22,767	234,062
Electricity recharged	-	(79,008)	(18,852)	(42,723)	(140,584)
Recoverable VAT	-	-	-	41,283	41,283
Balance to be credited/(collected from) tenants	-	81,018	32,417	21,327	134,762

BALANCE SHEET SUMMARY

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
ASSETS	6,345,285	5,356,081
LIABILITIES	(2,802,944)	(2,955,780)
NET ASSETS	3,542,340	2,400,301
REPRESENTED BY:		
Reserve Fund	3,542,340	2,400,301

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - ESTATE
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

		6 months to			
	Budget year	30	6 months to	Total for year	Year ended
	ended 31	September	31 March	ended 31	31 March
	Note	March 2020	2020	March 2020	2019
		£	£	£	£
Income					
Service charge receivable		1,380,213	690,107	690,107	1,380,214
Estate Service Charge transferred to relevant blocks	4	(1,380,213)	(690,107)	(690,107)	(1,380,214)
		-	-	-	-
Expenditure					
Staffing					
Contracts and management staff		168,000	70,034	81,169	151,203
HR Admin Pa		-	-	14,217	14,217
Uniforms and training		2,000	287	585	872
Staff equipment		-	-	9,854	9,854
Staff recruitment		2,000	-	678	678
Utilities					
Electricity	6a	125,000	-	38,945	38,945
Telephone/Mobile/Radios		2,200	716	1,234	1,950
Contracts, maintenance and services					
Door entry system and barrier maintenance		5,000	1,212	1,387	2,599
Drainage system		5,000	680	2,676	3,356
Fire alarm/equipment maintenance		9,000	5,738	7,742	13,480
General repairs and maintenance		30,000	1,415	9,590	11,005
Security/CCTV		350,000	199,713	201,210	400,923
Pest control		3,000	915	1,067	1,982
Estate Gator		-	-	689	689
Mechanical and electrical maintenance		140,000	69,122	126,108	195,230
Electrical repairs		2,000	3,296	-	3,296
Lift maintenance contract		5,000	2,039	2,419	4,458
Cleaning		13,000	6,106	6,772	12,878
Materials and lamps		5,000	-	1,360	1,360
Maintenance and cleaning material		2,000	-	118	118
Insurance					
Public liability insurance		-	2,688	2,236	4,924
Professional fees					
Accountancy		15,000	12,360	8,000	20,360
Legal fees		275,000	327,396	30,432	357,828
Asbestos survey		-	900	-	900
Building insurance valuation fee		-	-	5,115	5,115
Health and safety		5,000	1,580	1,979	3,559
Management fees		148,313	88,988	60,809	149,797
Other management fees		25,200	13,014	-	13,014
Other professional fees		35,000	114,272	3,960	118,232
General expenses					
Bank charges		500	57	-	57
Sundry expenses		8,000	3,361	2,554	5,915
Total sector expenditure		1,380,213	925,889	622,903	1,548,792
					1,592,099

CANARY RIVERSIDE ESTATE
 SERVICE CHARGE ACCOUNT - ESTATE (continued)
 FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

	Budget year ended 31 March 2020	6 months to 30 September 2019 £	6 months to 31 March 2020 £	Total for year ended 31 March 2020 £	Year ended 31 March 2019 £
Note					
SUMMARY					
Total income	4	1,380,213	690,107	690,107	1,380,214
Total expenditure	5	(1,380,213)	(925,889)	(622,903)	(1,548,792)
Surplus/(Deficit) for the period		-	(235,782)	67,204	(168,578)
Net contribution from/(to) other blocks		-	235,782	(67,204)	168,578
		-	-	-	-
Estate Income split					
Residential		56.20%	387,840	387,840	775,680
Car Park		18.60%	128,360	128,360	256,720
Commercial in Residential		1.01%	6,970	6,970	13,940
Club		5.40%	37,266	37,266	74,532
Westferry 1		1.99%	13,733	13,733	27,466
Hotel		16.80%	115,938	115,938	231,876
			690,107	690,107	1,380,214
Estate Expenditure split					
Residential		56.20%	520,350	350,072	870,422
Car Park		18.60%	172,215	115,860	288,075
Commercial in Residential		1.01%	9,351	6,291	15,642
Club		5.40%	49,998	33,637	83,635
Westferry 1		1.99%	18,425	12,396	30,821
Hotel		16.80%	155,549	104,648	260,197
Total sector expenditure			925,889	622,903	1,548,793

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT -RESIDENTIAL
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

		6 months to			
	Budget year	30	6 months to	Total for year	Year ended
	ended 31	September	31 March	ended 31	31 March
Note	March 2020	2019	2020	March 2020	2019
	£	£	£	£	£
Income					
Service charge receivable	1,827,015	913,508	913,508	1,827,016	2,031,470
Estate service charge receivable	4 775,679	387,840	387,839	775,679	664,393
Interest received (Net)	-	1,279	1,510	2,789	2,562
	<u>2,602,694</u>	<u>1,302,627</u>	<u>1,302,857</u>	<u>2,605,484</u>	<u>2,698,425</u>
Expenditure					
Staffing					
Concierge	240,000	108,792	111,625	220,417	213,354
HR Admin Pa	-	-	19,492	19,492	-
Uniforms and training	2,000	1,873	1,745	3,618	461
Staff recruitment	3,000	-	-	-	-
Utilities					
Electricity - communal	6a 300,000	-	-	-	-
Gas	45,000	17,257	16,991	34,248	48,026
Water rates	100,000	46,754	55,158	101,912	52,024
Telephone/Mobile/Radios	4,400	1,602	691	2,293	2,925
Contracts, maintenance and services					
Door entry system and barrier maintenance	5,000	122	2,569	2,691	3,862
Fire alarm/equipment maintenance	2,000	3,240	-	3,240	-
General repairs and maintenance	60,000	35,123	32,879	68,002	35,580
Drains	-	-	2,203	2,203	-
Light bulbs and fittings	7,000	1,316	5,867	7,183	1,291
Water softener	2,000	791	288	1,079	2,162
Mechanical and electrical maintenance	140,000	77,764	16,036	93,800	125,623
- Not accrued under previous period	-	-	77,404	77,404	-
Electrical repairs	9,000	590	6,579	7,169	1,436
Electricity metering	-	-	18,000	18,000	-
Lift maintenance contract and repairs	125,000	47,254	66,807	114,061	107,321
- Not accrued under previous period	-	-	15,951	15,951	-
Cleaning	117,000	59,600	58,951	118,551	114,910
Window cleaning	52,500	11,490	13,224	24,714	36,437
Rubbish removal	21,000	10,472	9,466	19,938	18,117
Pest control	-	-	457	457	-
Gardening and landscaping	22,500	9,784	5,280	15,064	20,070
Property vehicle/transport costs	1,500	519	-	519	1,714
Canary Wharf irrigation charge	10,400	-	10,697	10,697	10,126
Satellite/TV/aerials maintenance	3,000	-	851	851	4,051
Cradle maintenance	11,000	6,048	-	6,048	13,404
Irrecoverable estate VAT	125,715	-	-	-	-
Insurance					
Building and terrorism insurance	320,000	160,196	160,196	320,392	299,321
Engineering insurance	11,300	5,359	5,359	10,718	10,509
Insurance claims	-	160	5,510	5,670	-
Professional fees					
Legal fees	25,000	-	14,404	14,404	-
Management fees	43,200	20,003	48,750	68,753	39,104
Combined health and safety and fire risk assessment	6,500	4,800	9,071	13,871	6,240
Other professional fees	10,000	10,898	-	10,898	1,565
General expenses					
Postage and photocopying	-	771	-	771	1,543
Sundry expenses	2,000	822	259	1,081	1,524
Total sector expenditure	<u>1,827,015</u>	<u>643,400</u>	<u>792,760</u>	<u>1,436,160</u>	<u>1,172,700</u>

CANARY RIVERSIDE ESTATE

SERVICE CHARGE ACCOUNT - RESIDENTIAL (continued)

FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

	Budget year ended 31 March 2020	6 months to 30 September 2019 £	6 months to 31 March 2020 £	Total for year ended 31 March 2020 £	Year ended 31 March 2019 £
SUMMARY					
Total income	2,602,694	1,302,627	1,302,857	2,605,484	2,698,425
Total sector expenditure	(1,827,015)	(643,400)	(792,760)	(1,436,160)	(1,172,700)
Estate expenditure contribution	5 (775,679)	(520,350)	(350,072)	(870,422)	(894,760)
(Deficit) for the period	-	138,878	160,025	298,902	630,965
Electricity - recharged	6a -	(109,429)	(79,008)	(188,437)	(220,211)
Balance to be credited to/ (collected from) tenants	-	29,449	81,017	110,466	410,754

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT -CAR PARK
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

Note	Budget year ended 31 March 2020			6 months to September 2019 (Actual)			6 months to 31 March 2020 (Actual)			Total for year ended 31 March 2020	Year ended 31 March 2019	
	Hotel and Commercial £	Residential £	Total £	Hotel and Commercial	Residential	Total	Hotel and Commercial	Residential	Total £	£	£	
Income												
Service charge receivable	29,043	187,528	216,571	14,522	93,755	108,277	14,522	93,755	108,277	216,554	189,645	
Estate service charge receivable	4	71,632	185,087	256,720	35,846	92,514	128,360	35,846	92,514	128,360	219,889	
		<u>100,675</u>	<u>372,615</u>	<u>473,291</u>	<u>50,368</u>	<u>186,269</u>	<u>236,637</u>	<u>50,368</u>	<u>186,269</u>	<u>236,637</u>	<u>473,274</u>	<u>409,534</u>
Expenditure												
Utilities												
Electricity - communal	6a	20,944	54,055	74,999	-	-	-	-	-	-	-	
Contracts, maintenance and services												
Gates/shutter/barrier maintenance		1,117	2,882	3,999	368	245	613	-	245	245	858	401
General repairs and maintenance		1,397	3,604	5,001	596	919	1,515	-	919	919	2,435	3,670
Mechanical and electrical, engineering and plant maintenance		4,189	10,811	15,000	-	-	-	-	-	-	-	-
Electrical repairs		1,397	3,604	5,001	87	223	310	-	-	-	310	504
Management fees		-	-	-	-	-	-	3,850	10,800	14,650	14,650	-
Irrecoverable estate VAT		-	36,871	36,871	-	-	-	-	-	-	-	-
Insurance												
Building and terrorism insurance		-	73,000	73,000	-	38,225	38,225	-	38,225	38,225	76,450	74,026
Engineering insurance		-	2,700	2,700	-	1,279	1,279	-	1,279	1,279	2,558	2,507
Adjustment to cost allocation 2018		-	-	-	(20,672)	20,672	-	-	-	-	-	-
Total sector expenditure		<u>29,044</u>	<u>187,527</u>	<u>216,571</u>	<u>(19,621)</u>	<u>61,563</u>	<u>41,942</u>	<u>3,850</u>	<u>51,468</u>	<u>55,318</u>	<u>97,260</u>	<u>81,108</u>
SUMMARY												
Total income		100,675	372,615	473,290	50,368	186,269	236,637	50,368	186,269	236,637	473,274	409,534
Total sector expenditure		(29,044)	(187,527)	(216,571)	19,621	(61,563)	(41,942)	(3,850)	(51,468)	(55,318)	(97,260)	(81,108)
Estate expenditure contribution	5	(71,632)	(185,087)	(256,720)	(48,053)	(124,162)	(172,215)	(32,328)	(83,532)	(115,860)	(288,075)	(296,130)
Surplus/(deficit) before recharges and VAT		-	-	-	21,936	544	22,479	14,190	51,269	65,459	87,938	32,296
Electricity recharged	6a	-	-	-	(11,801)	(29,216)	(41,017)	(7,296)	(18,852)	(26,149)	(67,166)	(77,773)
Recoverable VAT	6b	-	-	-	8,761	-	8,761	4,660	-	4,660	13,421	14,025
Balance to be credited to/(collected) from tenants		-	-	-	18,896	(28,672)	(9,777)	11,553	32,417	43,970	34,194	(31,452)

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT -COMMERCIAL IN RESIDENTIAL (CIR)
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

		6 months to			
	Budget year	30	6 months to	Total for year	Year ended
	ended 31	September	31 March	ended 31	31 March
Note	March 2020	2019	2020	March 2020	2019
	£	£	£	£	£
Income					
Service charge receivable	34,000	19,738	20,854	40,592	37,968
Estate service charge receivable	4 13,940	8,085	6,970	15,055	13,864
Gas recharge	-	2,035	-	2,035	4,336
Water recharge	-	3,692	-	3,692	18,707
	<u>47,940</u>	<u>33,550</u>	<u>27,824</u>	<u>61,374</u>	<u>74,875</u>
Expenditure					
Utilities					
Electricity	6a 2,300	-	-	-	-
Gas recharge expense	-	2,035	-	2,035	4,336
Water recharge expense	-	3,692	-	3,692	18,707
Contracts, maintenance and services					
Gates/Gates automation	-	-	1,743	1,743	-
General repairs and maintenance	2,000	1,290	-	1,290	1,415
Window cleaning	1,200	900	775	1,675	510
Rubbish removal	27,000	12,823	9,606	22,429	23,277
Property vehicle/transport costs	1,500	519	-	519	1,714
Management fees	-	-	962	962	-
Total sector expenditure	<u>34,000</u>	<u>21,259</u>	<u>13,086</u>	<u>34,345</u>	<u>49,959</u>
SUMMARY					
Total income	47,940	33,550	27,824	61,374	74,875
Total sector expenditure	(34,000)	(21,259)	(13,086)	(34,345)	(49,959)
Estate expenditure contribution	5 (13,940)	(9,351)	(6,291)	(15,642)	(16,080)
Surplus/(deficit) before recharges and VAT	-	2,940	8,447	11,387	8,836
Electricity recharged	6a -	(3,534)	(1,968)	(5,502)	(2,248)
Recoverable VAT	6b -	4,048	3,288	7,336	7,135
Balance to be credited to/(collected) from tenants	-	3,454	9,767	13,221	13,723

**CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT -CLUB
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020**

		6 months to			
	Budget year	30	6 months to	Total for year	Year ended
	ended 31	September	31 March	ended 31	31 March
Note	March 2020	2019	2020	March 2020	2019
	£	£	£	£	£
Income					
Service charge receivable	63,500	31,750	31,750	63,500	120,300
Estate service charge receivable	4 74,532	37,266	37,266	74,532	63,839
Window cleaning recharge	-	-	-	-	5,587
Water recharge	-	19,290	-	19,290	38,809
	<u>138,032</u>	<u>88,306</u>	<u>69,016</u>	<u>157,322</u>	<u>228,535</u>
Expenditure					
Utilities					
Electricity	6a 12,000	-	-	-	-
Water recharge expense	-	19,290	-	19,290	38,809
Contracts, maintenance and services					
Gates/gates automation	-	-	1,743	1,743	-
General repairs and maintenance	4,000	4,822	736	5,558	1,148
Mechanical & electrical	-	-	4,111	-	-
Property vehicle/transport costs	1,500	519	-	519	1,714
Lift maintenance contract	16,000	7,737	11,363	19,100	15,857
Window cleaning	-	-	-	-	5,587
Rubbish removal	27,000	12,823	10,822	23,645	23,276
Water softener/materials and lamps	3,000	145	336	481	1,066
Management fees	-	-	5,144	5,144	-
Total sector expenditure	<u>63,500</u>	<u>45,336</u>	<u>34,256</u>	<u>79,592</u>	<u>87,457</u>
SUMMARY					
Total income	138,032	88,306	69,016	157,322	228,535
Total sector expenditure	(63,500)	(45,336)	(34,256)	(79,592)	(87,457)
Estate expenditure contribution	(74,532)	(49,998)	(33,637)	(83,635)	(85,973)
Surplus/(deficit) before recharges and VAT	-	(7,028)	1,123	(5,905)	55,105
Electricity recharged	-	(2,678)	(7,592)	(10,270)	(7,119)
Recoverable VAT	-	12,143	9,777	21,920	23,486
Balance to be credited to/(collected) from tenants	-	2,437	3,309	5,746	71,472

CANARY RIVERSIDE ESTATE
 SERVICE CHARGE ACCOUNT -WESTFERRY 1
 FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

		6 months to		Total for year	Year ended
	Budget year	30	6 months to	ended 31	31 March
	ended 31	September	31 March	ended 31	31 March
Note	March 2020	2019	2020	March 2020	2019
	£	£	£	£	£
Income					
	28,500	14,250	14,250	28,500	27,300
Service charge receivable					
Estate service charge receivable	4	13,733	13,733	27,466	23,525
	<u>55,965</u>	<u>27,983</u>	<u>27,983</u>	<u>55,966</u>	<u>50,825</u>
Expenditure					
Contracts, maintenance and services					
Gates/Gates automation	-	-	1,743	1,743	-
Electricity metering	-	-	2,148	2,148	1
Rubbish removal	27,000	12,823	10,822	23,645	23,277
Property vehicle/transport costs	1,500	519	-	519	1,714
Management fees	-	-	1,896	1,896	1,714
Total sector expenditure	<u>28,500</u>	<u>13,342</u>	<u>16,609</u>	<u>29,951</u>	<u>24,992</u>
SUMMARY					
Total income	55,965	27,983	27,983	55,966	50,825
Total sector expenditure	(28,500)	(13,342)	(16,609)	(29,951)	(24,992)
Estate expenditure contribution	(27,465)	(18,425)	(12,396)	(30,821)	(31,683)
Surplus/(deficit) before recharges and VAT	-	(3,784)	(1,022)	(4,806)	(5,850)
Electricity recharged	-	(598)	(2,249)	(2,847)	(961)
Recoverable VAT	-	5,029	4,418	9,447	9,421
Balance to be credited to/(collected) from tenants	-	647	1,147	1,794	2,610

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - HOTEL
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

		6 months to			
	Budget year	30	6 months to	Total for year	Year ended
	ended 31	September	31 March	ended 31	31 March
Note	March 2020	2019	2020	March 2020	2019
	£	£	£	£	£
Income					
Service charge receivable	56,520	28,260	28,260	56,520	98,500
Estate service charge receivable	4 231,876	115,938	115,938	231,876	198,609
Water recharge	-	26,116	-	26,116	46,284
	<u>288,396</u>	<u>170,314</u>	<u>144,198</u>	<u>314,512</u>	<u>343,393</u>
Expenditure					
Utilities					
Electricity	6a 10,000	-	900	900	-
Water recharge expense	-	26,116	-	26,116	46,284
Contracts, maintenance and services					
General repairs and maintenance	4,000	4,502	526	5,028	1,148
Mechanical & electrical	1,200	-	5,141	5,141	526
Water softener/materials and lamps	3,000	145	336	481	1,065
Rubbish removal	27,000	12,823	10,822	23,645	23,277
Landscaping and gardening	6,720	2,923	1,320	4,243	5,995
Property vehicle/transport costs	1,500	519	-	519	1,714
Canary Wharf irrigation charge	3,100	-	2,663	2,663	3,025
Professional fees					
Management fees	-	-	17,814	17,814	-
Legal and professional fees	-	-	-	-	12,876
Total sector expenditure	<u>56,520</u>	<u>47,028</u>	<u>39,522</u>	<u>86,550</u>	<u>95,910</u>
SUMMARY					
Total income	288,396	170,314	144,198	314,512	343,393
Total sector expenditure	(56,520)	(47,028)	(39,522)	(86,550)	(95,910)
Estate expenditure contribution	(231,876)	(155,549)	(104,648)	(260,197)	(267,473)
Surplus/(deficit) before recharges and VAT	-	(32,263)	29	(32,234)	(19,990)
Electricity recharged	-	(9,377)	(23,618)	(32,995)	(14,952)
Recoverable VAT	-	27,072	19,141	46,213	51,265
Balance to be credited to/(collected) from tenants	-	(14,568)	(4,449)	(19,017)	16,323

CANARY RIVERSIDE ESTATE

SERVICE CHARGE ACCOUNT - ELECTRICITY

FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

	Note	1/4/2019 to 30/9/2019 £	1/10/2019 to 31/3/2020 £
Electricity - wholesale		760,378	1,094,735
Directly recharged to all tenants/units		<u>(639,465)</u>	<u>(801,023)</u>
		120,913	293,712
Electricity: VAT recoverable element		<u>(97,445)</u>	<u>(108,432)</u>
Net electricity position		23,468	185,280
Release of remaining over collection to 31/3/2019 and 30/9/2019		(41,187)	(44,696)
Accruals		<u>139,656</u>	<u>-</u>
Electricity cost		121,937	140,584
30/9/2019 over collection shown as other creditors	8a	<u>44,696</u>	<u>-</u>
Electricity cost	8a	<u><u>166,633</u></u>	<u><u>140,584</u></u>

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

6 MONTHS ENDED 30 SEPTEMBER 2019

	RESIDENTIAL	CP RES	CP COMM	CIR	HOTEL	WFI	CLUB	TOTAL
	56.20%	13.41%	5.19%	1.40%	16.80%	1.60%	5.40%	
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							1,159	1,159
Hotel					3,730			3,730
	<u>137,476</u>	<u>36,704</u>	<u>14,219</u>	<u>3,822</u>	<u>11,289</u>	<u>720</u>	<u>3,589</u>	<u>207,819</u>
Total of net over collection to 31.3.2019	<u>(28,047)</u>	<u>(7,488)</u>	<u>(2,417)</u>	<u>(288)</u>	<u>(1,913)</u>	<u>(122)</u>	<u>(911)</u>	<u>(41,186)</u>
Total recharge to sectors as at 30.9.2019	<u>109,429</u>	<u>29,216</u>	<u>11,802</u>	<u>3,534</u>	<u>9,376</u>	<u>598</u>	<u>2,678</u>	<u>166,633</u>

6 MONTHS ENDED 31 MARCH 2020

	RESIDENTIAL	CP RES	CP COMM	CIR	HOTEL	WFI	CLUB	TOTAL
	56.20%	13.41%	5.19%	1.40%	16.80%	1.60%	5.40%	
Estate residential								-
Estate commercial								-
Car Park residential		18,852						18,852
Car Park commercial			7,296					7,296
Residential	79,008							79,008
Cir				1,968		2,249		4,217
Club							7,592	7,592
Hotel					23,618			23,618
	<u>79,008</u>	<u>18,852</u>	<u>7,296</u>	<u>1,968</u>	<u>23,618</u>	<u>2,249</u>	<u>7,592</u>	<u>140,584</u>
Total recharge to sectors as at 31.3.2020	<u>79,008</u>	<u>18,852</u>	<u>7,296</u>	<u>1,968</u>	<u>23,618</u>	<u>2,249</u>	<u>7,592</u>	<u>140,584</u>

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNT - VAT (EXCLUDING ELECTRICITY)
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020

6 MONTHS ENDED 30 SEPTEMBER 2019

	CP COMM	CIR	CLUB	WFI	HOTEL	TOTAL
	£	£	£	£	£	£
VAT recoverable per VAT returns to 30/9/2019	8,844	4,064	12,228	5,060	27,340	57,536
Additional VAT recoverable for invoices received after return period	<u>(83)</u>	<u>(16)</u>	<u>(86)</u>	<u>(32)</u>	<u>(267)</u>	<u>(483)</u>
	<u>8,761</u>	<u>4,048</u>	<u>12,142</u>	<u>5,028</u>	<u>27,073</u>	<u>57,053</u>
VAT due to be recovered at 31/3/2019						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 30.9.2019						<u>5,512</u>
Payment due per Balance Sheet						<u><u>(67,691)</u></u>

6 MONTHS ENDED 31 MARCH 2020

	CP COMM	CIR	CLUB	WFI	HOTEL	TOTAL
	£	£	£	£	£	£
VAT recoverable per VAT returns for the 2 quarters to 31/3/2020	4,660	3,288	9,777	4,418	19,141	41,283
	<u>4,660</u>	<u>3,288</u>	<u>9,777</u>	<u>4,418</u>	<u>19,141</u>	<u>41,283</u>
VAT due at 30/9/2019						(67,691)
Output VAT (on commercial invoices)						(31,595)
Reversal of service charge and insurance float charged to commercial						48,640
Input VAT						41,283
Adjustment for VAT from prior period						38,292
Net Vat (electricity element) To Be Recovered						35,363
VAT paid						<u>90,505</u>
Per Balance Sheet						<u><u>154,797</u></u>

**CANARY RIVERSIDE ESTATE
RESERVE FUND**

	Estate Reserve £	Residential flats reserve £	Car Park Residential reserve £	Car Park reserve £	Commercial Reserve - held by landlord £	Westferry 1 £	Club £	Commercial in residential reserve £	Total £
6 months to 30 September 2019									
Balance as at 1st April 2019	1,160,727	898,092		329,627	11,081	-	-	774	2,400,301
Demanded in period	185,299	176,251		12,499	-			-	374,049
Interest received (Net)	388	-		-	-			-	388
<u>Expenditure incurred</u>									
Smart meters and installation	(5,382)	-		-	-			-	(5,382)
Water tanks work, boiler/pipework repairs/replacement 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)
									-
Balance as at 30th September 2019	<u>1,341,008</u>	<u>968,412</u>	<u>-</u>	<u>316,032</u>	<u>11,081</u>	<u>-</u>	<u>-</u>	<u>774</u>	<u>2,637,307</u>
6 months to 31 March 2020									
Balance as at 1st October 2019	1,341,008	968,412	-	316,032	11,081	-	-	774	2,637,307
Demanded in period	161,839	176,250		12,500		17,944	4,201	1,316	374,049
Cladding Reserve demanded		449,600	107,202						556,802
Interest received (Net)		58							58
<u>Expenditure incurred</u>									
Cladding fees		(19,554)							(19,554)
General common repairs	(6,323)								(6,323)
Balance as at 31 March 2020	<u>1,496,524</u>	<u>1,574,766</u>	<u>107,202</u>	<u>328,532</u>	<u>11,081</u>	<u>17,944</u>	<u>4,201</u>	<u>2,090</u>	<u>3,542,340</u>

CANARY RIVERSIDE ESTATE

BALANCE SHEET AS AT 31 MARCH 2020

	31 March 2020		31 March 2019	
	£	£	£	£
Assets				
Service charges due - Commercial		1,630,479		907,041
Service charges due - Residential		1,322,737		933,416
Accrued income		-		396,547
Other debtors		94,284		68,010
Amounts due from landlord		446,299		433,061
Electricity debtor		2,209,816		837,492
VAT control		154,797		67,329
Prepayments		2,044		22,312
Bank and cash at bank - Mel (Landlord)		55,397		55,397
Bank and cash at bank - managing agent		<u>429,432</u>		<u>1,635,477</u>
		<u>6,345,285</u>		<u>5,356,081</u>
Liabilities				
Service charges paid in advance - Commercial	7,757		-	
Service charges paid in advance - Residential	200,545		654,533	
Trade creditors	444,965		81,872	
Accruals	1,946,484		1,357,954	
Other creditors	58,115		84,441	
Surplus from 31 March 2016 to be credited	-		293,549	
Surplus for the year ended 31 March 2019 to be credited	-		483,431	
Surplus for the year to be credited:				
6 months to 30 September 2019	10,315		-	
6 months to 31 March 2020	<u>134,762</u>		-	
		<u>(2,802,944)</u>		<u>(2,955,780)</u>
Net assets		<u><u>3,542,340</u></u>		<u><u>2,400,301</u></u>
Represented by:				
Service charge account		-		-
Reserve Fund				
Estate reserve		1,496,524		1,160,727
Residential flats reserve		1,574,766		898,092
Car park reserve, including commercial funds held by landlord		435,734		329,627
Commercial reserve - held by landlord		11,081		11,081
Westferry 1		17,944		-
Club		4,201		-
Commercial in residential reserve		<u>2,090</u>		<u>774</u>
		<u><u>3,542,340</u></u>		<u><u>2,400,301</u></u>

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020
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	387,840	56.20%
Car Park	128,360	18.60%
Commercial in Residential	6,970	1.01%
Club	37,266	5.40%
Westferry 1	13,733	1.99%
Hotel	<u>115,938</u>	16.80%
	<u><u>690,107</u></u>	

5 Estate expenditure split

	SC expenditure	
	£	
Residential	350,072	56.20%
Car Park	115,860	18.60%
Commercial in Residential	6,291	1.01%
Club	33,637	5.40%
Westferry 1	12,396	1.99%
Hotel	<u>104,648</u>	16.80%
	<u><u>622,903</u></u>	

6a The methodology for the recharging of electricity is made 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. 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.

CANARY RIVERSIDE ESTATE**SERVICE CHARGE ACCOUNTS****FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020****NOTES TO THE ACCOUNTS****6b 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.

6c 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:

Total owed by CREM to CRE service charge	£	Reference to Balance Sheet
Service charge due	696,449	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 demands 1.10.16 to 31.03.2020	6,119	Electricity debtor
37 Westferry Circus Electricity 2018-19	4,325	Electricity debtor
Westferry Circus First Floor & Offices - Electricity	5,888	Electricity debtor
	<u>1,055,266</u>	
Commercial disputes		
VA legal cost - not recoverable	28,910	Within 'Service charges due' (Assets)
Café Brera: statue 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)
Gloma	13,620	Within 'Service charges due' (Assets)
Subtotal	<u>94,398</u>	
Miscellaneous		
FTT legal fees (TBC)	103,814	Within 'Amounts Due from Landlord' (Assets)
Total CREM owed CRE service charge	<u><u>1,253,478</u></u>	
Total owed by CRE service charge to CREM		
Insurance		
Property, Terrorism & Engineering insurance 1.4.17 - 30.9.17	187,104	Within 'Accruals' (Liabilities)
Public liability insurance 1.4.17 - 31.3.18	2,640	Within 'Accruals' (Liabilities)
Property, Terrorism & Engineering insurance 1.10.17 - 31.3.18	187,104	Within 'Accruals' (Liabilities)
Property, Terrorism & Engineering insurance 1.4.18 - 30.9.18	192,132	Within 'Accruals' (Liabilities)
Public liability insurance 1.4.18 - 31.3.19	2,688	Within 'Accruals' (Liabilities)
Property, Terrorism & Engineering insurance 1.10.18 - 31.3.19	192,132	Within 'Accruals' (Liabilities)
Property, Terrorism & Engineering insurance 1.4.19 - 30.9.19	205,059	Within 'Accruals' (Liabilities)
Public liability insurance 1.4.19 - 30.3.2020	2,240	Within 'Accruals' (Liabilities)
Property, Terrorism & Engineering insurance 1.9.19 - 33.3.2020	205,059	Within 'Accruals' (Liabilities)
	<u>1,176,158</u>	
CW Irrigation charges 2017	12,203	Within 'Accruals' (Liabilities)
CW Irrigation charges 2018	13,151	Within 'Accruals' (Liabilities)
	<u>25,354</u>	
CREM claim to historical creditors		
Inenco	50,156	Within 'Accruals' (Liabilities)
Total CRE service charge owes CREM	<u><u>1,251,668</u></u>	
Net balance CREM owe to CRE Service Charge	<u><u>1,810</u></u>	

Note: The above position is believed by the Section 24 Manager to be correct, but does not imply acceptance by CREM, nor does it include balances due from other companies or parties which may be associated with the landlord.

CANARY RIVERSIDE ESTATE
SERVICE CHARGE ACCOUNTS
FOR THE 6 MONTHS PERIOD FROM 1 OCTOBER 2019 TO 31 MARCH 2020
NOTES TO THE ACCOUNTS

6d 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 and payroll fees, as prescribed in the Section 24 Management Order.