

**CANARY RIVERSIDE ESTATE**

**SERVICE CHARGE STATEMENT OF ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2018**

# 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

## FOR THE YEAR ENDED 31 MARCH 2018

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 only in respect of the period from 1st October 2016 to 31st March 2017 and the year ended 31st March 2018 am I responsible for ensuring that the financial management of the service charges is sound and that there is an effective system of internal control which facilitates the proper use of the service charges and which includes arrangements for good management of the building and all communal grounds for which I have responsibility in accordance with the terms of the lease.

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

I confirm that all relevant costs included as expenditure in the service charge information for the year ended 31st March 2018, including any payments to reserve funds, is a proper charge to the property and is in accordance with the underlying leases. Where necessary I have complied with the provisions of section 20 of the Landlord and Tenant Act 1985 in relation to long-term expenditure and major works as defined by the legislation.

All expenditure included in the service charge information for the year ended 31st March 2018 is a proper charge to the property and is in accordance with underlying leases.

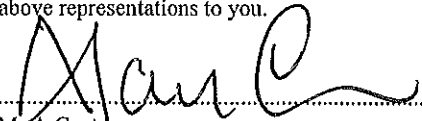
Where necessary, the allocation of relevant expenditure across the various service charge sectors including that relating to the above property is in accordance with the lease.

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.

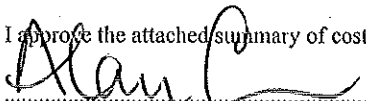
All service charge monies managed by me are held separately in trust in accordance with section 42 of the Landlord and Tenant Act 1987 in designated interest bearing accounts with Barclays Bank plc and the balances reconciled to the fund balances shown in the statement of account.

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 ourselves that I can make the above representations to you.

  
.....  
Mr A Coates

## ALAN COATES' DECLARATION

I approve the attached summary of costs.

  
.....  
Mr A Coates

**CANARY RIVERSIDE ESTATE**  
**INDEPENDENT ACCOUNTANTS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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 year ended 31st March 2018 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. 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 year ended 31st March 2018 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:-

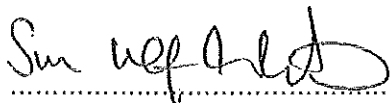
1. We obtained the service charge accounts and checked whether the figures in the accounts were extracted correctly from the accounting records maintained by or on behalf of the landlord;
2. We checked, based on a sample, whether entries in the accounting records were supported by receipts, other documentation 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, except insofar as the matters stated below.
- c. With respect to item 3 we found that the balance of service charge monies shown in the service charge accounts agrees or reconciles to the bank statement for the accounts in which the funds are held.

  
 .....

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

Date 25<sup>th</sup> September 2018

## SERVICE CHARGE STATEMENT OF ACCOUNT FOR

## CANARY RIVERSIDE ESTATE

## INCOME AND EXPENDITURE ACCOUNT: ALL SECTORS - SUMMARY

FOR THE YEAR ENDED 31 MARCH 2018

|  | TOTAL<br>ESTATE  | TOTAL:<br>RESIDENTIAL<br>FLATS | TOTAL: CAR<br>PARK<br>(RESIDENTIAL) | COMMERCIAL<br>(incl CAR<br>PARK) | Total actual     |
|--|------------------|--------------------------------|-------------------------------------|----------------------------------|------------------|
|  | £                | £                              | £                                   | £                                | £                |
| Income relating to the period                    | 1,265,796        | 1,787,991                      | 105,622                             | 460,178                          | 3,619,587        |
| Gas recharge                                     |                  |                                |                                     | 1,014                            | 1,014            |
| Water recharge                                   | -                | -                              | -                                   | 87,655                           | 87,655           |
| Window cleaning recharge                         | -                | -                              | -                                   | 5,705                            | 5,705            |
| <b>Total income</b>                              | <b>1,265,796</b> | <b>1,787,991</b>               | <b>105,622</b>                      | <b>554,552</b>                   | <b>3,713,961</b> |
| Expenditure relating to the period               | (1,661,924)      | (1,209,077)                    | (87,699)                            | (382,570)                        | (3,341,270)      |
| Surplus/(deficit) for the year                   | (396,128)        | 578,914                        | 17,923                              | 77,608                           | 372,690          |
| Transfers (to)/from reserves                     | -                | -                              | -                                   | -                                | -                |
|  | (396,128)        | 578,914                        | 17,923                              | 77,608                           | 372,690          |
| Net contribution from other blocks               | 396,128          | (222,624)                      | (53,123)                            | (120,381)                        | -                |
| Surplus/deficit to be (credited)/collected       | -                | 356,290                        | (35,200)                            | (42,773)                         | 372,690          |
| Electricity - recharged                          | -                | (101,989)                      | (64,199)                            | (38,698)                         | (204,886)        |
| Recoverable VAT                                  | -                | -                              | -                                   | 102,218                          | 102,218          |
| <b>Balance to be credited/debited to tenants</b> | <b>-</b>         | <b>254,301</b>                 | <b>(99,399)</b>                     | <b>20,747</b>                    | <b>270,022</b>   |

## BALANCE SHEET - SUMMARY

|                  | TOTAL<br>2018<br>£ | TOTAL<br>2017<br>£ |
|------------------|--------------------|--------------------|
| ASSETS           | 4,012,105          | 3,336,193          |
| LIABILITIES      | 2,329,775          | 2,193,908          |
| NET ASSETS       | <u>1,682,330</u>   | <u>1,142,285</u>   |
| REPRESENTED BY:- |                    |                    |
| Reserve fund     | <u>1,682,330</u>   | <u>1,142,285</u>   |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - ESTATE**  
**FOR THE YEAR ENDED 31 MARCH 2018**

|   | 2018<br>Actual<br>£ | 2018<br>Budget<br>£ | 2017<br>Actual<br>£ |
|---|---------------------|---------------------|---------------------|
| <b>Income relating to the period</b>  |                     |                     |                     |
| Service charge receivable (demanded on account )                            | 1,265,796           | 1,265,796           | 1,412,573           |
| Reserve contribution receivable   | -                   | 480,000             | -                   |
| Estate Service Charge receivable transferred to relevant blocks             | (1,265,796)         | (1,265,796)         | (1,412,573)         |
| Estate Reserve contribution receivable transferred to relevant blocks       | -                   | (480,000)           | -                   |
| <b>Total income</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Expenditure relating to the period</b>                                   |                     |                     |                     |
| <b>Staffing</b>   |                     |                     |                     |
| Contracts and management staff  | 145,493             | 150,000             | 128,136             |
| Uniforms and training   | 2,792               | 3,000               | -                   |
| Staff recruitment   | -                   | 3,000               | -                   |
| <b>Utilities</b>  |                     |                     |                     |
| Electricity   | 8a -                | 150,000             | 61,129              |
| Inenco electricity costs  | 8g 6,332            | -                   | -                   |
| Telephone / MOB / Radios  | 3,281               | 3,000               | 13,887              |
| Water rates   | -                   | -                   | 15,910              |
| <b>Contracts, maintenance and services</b>                                  |                     |                     |                     |
| Door entry system and barrier maintenance                                   | 1,213               | 5,000               | 9,333               |
| Drainage system   | 1,805               | 5,000               | 2,476               |
| Fire alarm / equipment maintenance  | 15,149              | 15,500              | 11,950              |
| General repairs and maintenance   | 15,339              | 25,000              | 20,436              |
| Light bulbs   | 567                 | 5,000               | 14,851              |
| Security / CCTV   | 391,828             | 325,000             | 474,006             |
| Pest control  | 1,829               | 2,400               | 4,344               |
| Mechanical and electrical maintenance                                       | 140,028             | 110,000             | 143,813             |
| Electrical repairs  | 2,455               | 5,000               | 1,458               |
| Sign writing and notices  | 476                 | -                   | 972                 |
| Lift maintenance contract   | 4,721               | 2,000               | 4,399               |
| Cleaning - general  | 11,428              | 10,000              | 10,171              |
| Cleaning - materials  | -                   | 4,000               | 1,196               |
| Specialist cleaning   | -                   | -                   | 2,398               |
| Window cleaning   | -                   | -                   | 159                 |
| Estate office rates   | -                   | 10,000              | -                   |
| Estate vehicles   | -                   | -                   | 2,837               |
| Office cost recovery from WIQ   | -                   | -                   | (13,165)            |
| Rubbish removal   | -                   | -                   | 1,098               |
| <b>Insurance</b>  |                     |                     |                     |
| Infrastructure, engineering and employer protection (Engineering insurance) | -                   | 19,800              | 18,272              |
| Building insurance  | -                   | 8,100               | 6,180               |
| Terrorism insurance   | -                   | -                   | 1,699               |
| <b>Professional fees</b>  |                     |                     |                     |
| Independent accountants fee   | 19,140              | 8,000               | 19,750              |
| Legal fees  | 473,639             | 200,000             | -                   |
| Professional fees - MEL   | -                   | -                   | 47,846              |
| Combined health and safety and fire risk assessment                         | -                   | 10,000              | 1,441               |
| Management fees   | 166,795             | 138,996             | 173,578             |
| Other management fees   | 25,474              | 22,500              | 9,970               |
| Other professional fees   | 225,339             | 20,000              | 150,150             |
| <b>Balance carried forward</b>  | <b>1,655,122</b>    | <b>1,260,296</b>    | <b>1,340,677</b>    |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - ESTATE (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

|                                 | 2018<br>Actual<br>£ | 2018<br>Budget<br>£ | 2017<br>Actual<br>£ |
|---------------------------------|---------------------|---------------------|---------------------|
| <b>Balance brought forward</b>  | 1,655,122           | 1,260,296           | 1,340,677           |
| <b>General expenses</b>         |                     |                     |                     |
| Bank charges                    | 127                 | 1,500               | 516                 |
| Sundry expenses                 | 6,675               | 4,000               | 6,015               |
| <b>Total sector expenditure</b> | <u>1,661,924</u>    | <u>1,265,796</u>    | <u>1,347,208</u>    |

**SUMMARY**

|   |          |                  |             |               |
|---|----------|------------------|-------------|---------------|
| <b>Total income</b>                       | <b>6</b> | 1,265,796        | 1,265,796   | 1,412,573     |
| <b>Total expenditure</b>                  | <b>7</b> | (1,661,924)      | (1,265,796) | (1,347,208)   |
| <b>Surplus/(deficit) for the period</b>   |          | <u>(396,128)</u> | -           | <u>65,366</u> |
| <b>Net contribution from other blocks</b> |          | 396,128          | -           | (65,366)      |
|   |          | <u>-</u>         | <u>-</u>    | <u>-</u>      |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR  
CANARY RIVERSIDE ESTATE  
INCOME AND EXPENDITURE ACCOUNT - RESIDENTIAL  
FOR THE YEAR ENDED 31 MARCH 2018**

|  | 2018<br>Actual<br>£ | 2018<br>Budget<br>£ | 2017<br>Actual<br>£ |
|--|---------------------|---------------------|---------------------|
| <b>Income relating to the period</b>             |                     |                     |                     |
| Service charge receivable (demanded on account ) | 1,787,635           | 1,787,635           | 1,849,404           |
| Estate Service Charge receivable                 | 711,377             | 711,377             | 793,866             |
| Interest received                                | 356                 | -                   | 463                 |
| <b>Total income</b>                              | <u>2,499,368</u>    | <u>2,499,012</u>    | <u>2,643,734</u>    |
| <b>Expenditure relating to the period</b>        |                     |                     |                     |
| <b>Staffing</b>                                  |                     |                     |                     |
| Doormen  | 212,629             | 225,000             | 224,306             |
| Admin fee for staff wages                        | -                   | -                   | 3,548               |
| Uniforms and training                            | 4,485               | 3,500               | -                   |
| Staff recruitment                                | -                   | 3,000               | -                   |
| <b>Utilities</b>                                 |                     |                     |                     |
| Electricity - communal                           | 8a -                | 380,000             | 28,836              |
| Inenco electricity costs                         | 8g 24,436           | -                   | -                   |
| Gas  | 22,973              | 41,000              | 25,925              |
| Water rates                                      | 82,124              | 85,000              | 83,476              |
| Telephone / MOB / Radios                         | 2,091               | 3,000               | 3,786               |
| <b>Contracts, maintenance and services</b>       |                     |                     |                     |
| Door entry/barrier maintenance                   | 7,752               | 5,000               | 10,536              |
| Fire alarm / equipment maintenance               | 4,800               | 5,000               | 334                 |
| General repairs and maintenance                  | 45,929              | 50,000              | 104,646             |
| Light bulbs and fittings                         | 2,755               | 15,000              | 7,013               |
| Water softener                                   | -                   | 1,500               | -                   |
| Mechanical and electrical maintenance            | 143,587             | 120,000             | 121,123             |
| Electrical repairs                               | 9,402               | 5,000               | 13,487              |
| Lift contract and maintenance                    | 106,302             | 125,000             | 125,625             |
| Cleaning - general                               | 112,103             | 104,000             | 102,975             |
| Window cleaning                                  | 49,903              | 50,000              | 24,269              |
| Rubbish removal                                  | 16,591              | 20,000              | 15,993              |
| Gardening and landscaping                        | 20,107              | 21,500              | 26,764              |
| Garden lighting maintenance                      | -                   | 4,000               | 2,872               |
| Property vehicle/transport costs                 | 1,601               | 1,000               | -                   |
| Canary Wharf irrigation charge                   | 12,549              | 11,000              | 10,203              |
| Satellite / TV / aerials maintenance             | 1,055               | 2,000               | 994                 |
| Irrecoverable estate VAT                         | 8b -                | 109,635             | 72,055              |
| <b>Insurance</b>                                 |                     |                     |                     |
| Building and terrorism insurance                 | 292,390             | 345,000             | 335,555             |
| Engineering insurance                            | 10,269              | -                   | -                   |
| Insurance claims                                 | (7,567)             | -                   | 1,210               |
| <b>Professional fees</b>                         |                     |                     |                     |
| Legal fees                                       | (7,506)             | -                   | 148,577             |
| Professional fees                                | 3,810               | 10,000              | 45,814              |
| Other managing agents costs                      | 30,845              | 40,500              | 40,681              |
| <b>General expenses</b>                          |                     |                     |                     |
| Sundry expenses                                  | 3,662               | 2,000               | 1,683               |
| <b>Total sector expenditure carried forward</b>  | <u>1,209,077</u>    | <u>1,787,635</u>    | <u>1,582,284</u>    |



## SERVICE CHARGE STATEMENT OF ACCOUNT FOR

## CANARY RIVERSIDE ESTATE

## INCOME AND EXPENDITURE ACCOUNT - RESIDENTIAL (Continued)

## FOR THE YEAR ENDED 31 MARCH 2018

|  | 2018<br>Actual<br>£ | 2018<br>Budget<br>£ | 2017<br>Actual<br>£ |
|--|---------------------|---------------------|---------------------|
| <b><u>SUMMARY</u></b>                    |                     |                     |                     |
| Total income                             | 2,499,368           | 2,499,012           | 2,643,734           |
| Total sector expenditure brought forward | (1,209,077)         | (1,787,635)         | (1,582,284)         |
| Transfers (to)/from reserves             | -                   | -                   | 19,638              |
| Estate expenditure contribution          | (934,001)           | (711,377)           | (757,131)           |
| Major works expenditure                  | -                   | -                   | (6,000)             |
| Surplus to be credited                   | 356,290             | -                   | 298,319             |
| Electricity - recharged                  | 8a (101,989)        | -                   | (244,688)           |
| Balance to be credited to tenants        | 254,301             | -                   | 53,631              |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - CAR PARK**  
**FOR THE YEAR ENDED 31 MARCH 2018**

|  | 2018                       | 2018                | 2018             | 2018                       | 2018                | 2018             | 2017             |
|--|----------------------------|---------------------|------------------|----------------------------|---------------------|------------------|------------------|
|  | Actual                     |                     |                  | Budget                     |                     |                  |                  |
|  | Hotel and Commercial (111) | Residential (Gross) | Total actual     | Hotel and Commercial (111) | Residential (Gross) | Budget           | Actual           |
| Note   | £                          | £                   | £                | £                          | £                   | £                | £                |
| <b>Income relating to the period</b>                         |                            |                     |                  |                            |                     |                  |                  |
| Service charge receivable (demanded on account )             | 40,878                     | 105,622             | 146,500          | 40,966                     | 105,534             | 146,500          | 213,430          |
| Estate Service Charge receivable                             | 65,694                     | 169,744             | 235,438          | 65,694                     | 169,744             | 235,438          | 262,739          |
| Water recharge   | -                          | -                   | -                | -                          | -                   | -                | 4,086            |
| <b>Total Income</b>  | <b>106,572</b>             | <b>275,366</b>      | <b>381,938</b>   | <b>106,660</b>             | <b>275,278</b>      | <b>381,938</b>   | <b>480,254</b>   |
| <b>Expenditure relating to the period</b>                    |                            |                     |                  |                            |                     |                  |                  |
| <b>Utilities</b>   |                            |                     |                  |                            |                     |                  |                  |
| Electricity  | 8a                         | -                   | -                | 16,755                     | 43,244              | 59,999           | 17,513           |
| Inenco electricity costs                                     | 8g                         | -                   | 5,004            | -                          | -                   | -                | -                |
| Water recharge expense                                       | -                          | -                   | -                | -                          | -                   | -                | 1,927            |
| Telephone / MOB / Radios                                     | -                          | -                   | -                | -                          | -                   | -                | 210              |
| Release of 2016 accrued income                               | 8h                         | 2,730               | 2,730            | -                          | -                   | -                | -                |
| <b>Contracts, maintenance and services</b>                   |                            |                     |                  |                            |                     |                  |                  |
| Gates/shutter/barrier maintenance                            | 1,619                      | 4,183               | 5,802            | 838                        | 2,162               | 3,000            | -                |
| General repairs and maintenance                              | 472                        | 1,220               | 1,692            | 1,397                      | 3,604               | 5,001            | 3,832            |
| Light bulbs  | -                          | -                   | -                | -                          | -                   | -                | 14,228           |
| Mechanical and electrical, engineering and plant maintenance | -                          | -                   | -                | 2,792                      | 7,207               | 9,999            | 2,138            |
| Electrical repairs   | 1,066                      | 2,753               | 3,819            | 1,397                      | 3,604               | 5,001            | 331              |
| Recoverable estate VAT                                       | -                          | -                   | -                | -                          | 31,629              | 31,629           | 23,367           |
| <b>Insurance</b>   |                            |                     |                  |                            |                     |                  |                  |
| Building and terrorism insurance                             | -                          | 72,089              | 72,089           | 17,733                     | 45,767              | 63,500           | 61,762           |
| Engineering insurance  | -                          | 2,450               | 2,450            | -                          | -                   | -                | -                |
| <b>Total sector expenditure</b>                              | <b>5,887</b>               | <b>87,699</b>       | <b>93,586</b>    | <b>40,912</b>              | <b>137,217</b>      | <b>178,129</b>   | <b>125,308</b>   |
| <b>Estate expenditure contribution</b>                       | <b>(86,253)</b>            | <b>(222,865)</b>    | <b>(309,118)</b> | <b>(65,694)</b>            | <b>(169,744)</b>    | <b>(235,438)</b> | <b>(250,581)</b> |
| <b>Total sector expenditure as above</b>                     | <b>(5,887)</b>             | <b>(87,699)</b>     | <b>(93,586)</b>  | <b>(40,912)</b>            | <b>(137,217)</b>    | <b>(178,129)</b> | <b>(125,308)</b> |
| <b>Total expenditure</b>                                     | <b>(92,140)</b>            | <b>(310,564)</b>    | <b>(402,704)</b> | <b>(106,606)</b>           | <b>(306,961)</b>    | <b>(413,567)</b> | <b>(375,889)</b> |
| <b>Total income as above</b>                                 | <b>106,572</b>             | <b>275,366</b>      | <b>381,938</b>   | <b>106,660</b>             | <b>275,278</b>      | <b>381,938</b>   | <b>480,254</b>   |
| <b>Surplus to be credited</b>                                | <b>14,432</b>              | <b>(35,198)</b>     | <b>(20,766)</b>  | <b>54</b>                  | <b>(31,683)</b>     | <b>(31,629)</b>  | <b>104,366</b>   |
| Electricity - recharged                                      | 8a                         | (20,726)            | (84,925)         | -                          | -                   | -                | (37,513)         |
| Recoverable VAT  | 8b                         | 14,545              | 14,545           | (54)                       | 31,683              | 31,629           | 5,384            |
| <b>Balance to be credited to tenants</b>                     | <b>8,251</b>               | <b>(99,397)</b>     | <b>(91,147)</b>  | <b>-</b>                   | <b>-</b>            | <b>-</b>         | <b>72,237</b>    |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - COMMERCIAL IN RESIDENTIAL**  
**FOR THE YEAR ENDED 31 MARCH 2018**

|   | 2018<br>Total<br>Actual<br>Note | 2018<br>Budget<br>£ | 2017<br>Actual<br>£ |
|---|---------------------------------|---------------------|---------------------|
| <b>Income relating to the period</b>            |                                 |                     |                     |
| Service charge receivable (demanded on account) | 39,100                          | 39,100              | 40,201              |
| Estate Service Charge receivable                | 12,785                          | 12,785              | 14,267              |
| Gas recharge                                    | 1,014                           | -                   | 7,077               |
| Water recharge                                  | 11,399                          | -                   | 12,792              |
| <b>Total income</b>                             | <u>64,298</u>                   | <u>51,885</u>       | <u>74,337</u>       |
| <b>Expenditure relating to the period</b>       |                                 |                     |                     |
| <b>Utilities</b>                                |                                 |                     |                     |
| Electricity                                     | 8a -                            | 2,000               | 150                 |
| Inenco electricity costs                        | 8g 355                          | -                   | -                   |
| Gas recharge expense                            | 1,014                           | -                   | 7,077               |
| Water recharge expense                          | 11,399                          | -                   | 4,614               |
| Release of 2016 accrued income                  | 8h 59,277                       | -                   | -                   |
| <b>Contracts, maintenance and services</b>      |                                 |                     |                     |
| General repairs and maintenance                 | 1,460                           | 500                 | 2,620               |
| Window cleaning                                 | 60                              | 1,200               | 238                 |
| Rubbish removal                                 | 23,288                          | 25,000              | 26,375              |
| Property vehicle/transport costs                | 1,601                           | 1,000               | 1,333               |
| <b>Insurance</b>                                |                                 |                     |                     |
| Insurances                                      | -                               | 9,400               | 9,143               |
| Legal and professional fees                     | 360                             | -                   | 450                 |
| <b>Total sector expenditure</b>                 | <u>98,814</u>                   | <u>39,100</u>       | <u>52,001</u>       |
| <b>Estate expenditure contribution</b>          | (16,785)                        | (12,785)            | (13,607)            |
| <b>Total sector expenditure as above</b>        | (115,599)                       | (51,885)            | (65,608)            |
| <b>Total income as above</b>                    | 64,298                          | 51,885              | 74,337              |
| <b>Surplus to be credited</b>                   | <u>(51,302)</u>                 | -                   | 8,730               |
| Electricity - recharged                         | 8a (6,399)                      | -                   | (1,415)             |
| Recoverable VAT                                 | 8b 7,571                        | -                   | 2,621               |
| <b>Balance to be credited to tenants</b>        | <u>(50,130)</u>                 | -                   | <u>9,936</u>        |

## SERVICE CHARGE STATEMENT OF ACCOUNT FOR

## CANARY RIVERSIDE ESTATE

## INCOME AND EXPENDITURE ACCOUNT - CLUB

## FOR THE YEAR ENDED 31 MARCH 2018

|  | Note | 2018<br>Actual<br>£ | 2018<br>Budget<br>£ | 2017<br>Actual<br>£ |
|--|------|---------------------|---------------------|---------------------|
| <b>Income relating to the period</b>             |      |                     |                     |                     |
| Service charge receivable (demanded on account ) |      | 144,600             | 144,600             | 158,831             |
| Estate Service Charge receivable                 |      | 68,353              | 68,353              | 76,279              |
| Window cleaning recharge                         |      | 5,705               | -                   | -                   |
| Water recharge                                   |      | 36,683              | -                   | 51,695              |
| <b>Total income</b>                              |      | <u>255,341</u>      | <u>212,953</u>      | <u>286,805</u>      |
| <b>Expenditure relating to the period</b>        |      |                     |                     |                     |
| <b>Utilities</b>                                 |      |                     |                     |                     |
| Electricity                                      | 8a   | -                   | 15,000              | 2,086               |
| Inenco electricity costs                         | 8g   | 4,439               | -                   | -                   |
| Water recharge expense                           |      | 36,683              | 40,000              | 22,464              |
| Release of 2016 accrued income                   | 8h   | 21,088              | -                   | -                   |
| <b>Contracts, maintenance and services</b>       |      |                     |                     |                     |
| General repairs and maintenance                  |      | 2,685               | 4,000               | 7,185               |
| Sundry expenses                                  |      | 380                 | -                   | -                   |
| Mechanical and electrical                        |      | -                   | -                   | 3,740               |
| Property vehicle/transport costs                 |      | 1,601               | 1,000               | -                   |
| Lift maintenance contract                        |      | 18,555              | 16,000              | 16,688              |
| Window cleaning                                  |      | 5,705               | 12,000              | 2,591               |
| Rubbish removal                                  |      | 23,234              | 25,000              | 26,447              |
| Water softener / materials and lamps             |      | 2,269               | 1,500               | 205                 |
| <b>Insurance</b>                                 |      |                     |                     |                     |
| Building and terrorism insurance                 |      | -                   | 30,100              | 29,276              |
| <b>Professional fees</b>                         |      |                     |                     |                     |
| Legal fees                                       |      | -                   | -                   | -                   |
| <b>Total sector expenditure</b>                  |      | <u>116,640</u>      | <u>144,600</u>      | <u>110,681</u>      |
| <b>Estate expenditure contribution</b>           |      | (89,744)            | (68,353)            | (72,749)            |
| <b>Total expenditure as above</b>                |      | (116,640)           | (144,600)           | (110,681)           |
| <b>Total income as above</b>                     |      | 255,341             | 212,953             | 286,805             |
| <b>Surplus to be collected</b>                   |      | 48,957              | (0)                 | 103,374             |
| Electricity - recharged                          | 8a   | (5,513)             | -                   | (8,059)             |
| Recoverable VAT                                  | 8b   | 22,416              | -                   | 9,100               |
| <b>Balance to be credited to tenants</b>         |      | <u>65,861</u>       | <u>(0)</u>          | <u>104,415</u>      |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**INCOME AND EXPENDITURE ACCOUNT - WESTFERRY 1**  
**FOR THE YEAR ENDED 31 MARCH 2018**

|  | Note | 2018<br>Actual<br>£ | 2018<br>Budget<br>£ | 2017<br>Actual<br>£ |
|--|------|---------------------|---------------------|---------------------|
| <b>Income relating to the period</b>             |      |                     |                     |                     |
| Service charge receivable (demanded on account ) |      | 45,900              | 45,900              | 48,900              |
| Estate Service Charge receivable                 |      | 25,189              | 25,189              | 28,110              |
| <b>Total income</b>                              |      | <u>71,089</u>       | <u>71,089</u>       | <u>77,010</u>       |
| <b>Expenditure relating to the period</b>        |      |                     |                     |                     |
| <b>Utilities</b>                                 |      |                     |                     |                     |
| Electricity                                      | 8a   | -                   | -                   | 661                 |
| Release of 2016 accrued income                   | 8h   | 19,910              | -                   | -                   |
| <b>Contracts, maintenance and services</b>       |      |                     |                     |                     |
| Drainage system                                  |      | 2,462               | 10,000              | 778                 |
| Rubbish removal                                  |      | 23,234              | 25,000              | 32,112              |
| Property vehicle/transport costs                 |      | 1,601               | 1,000               | 2,100               |
| <b>Insurance</b>                                 |      |                     |                     |                     |
| Building and terrorism insurance                 |      | -                   | 9,900               | 9,629               |
| <b>Total sector expenditure</b>                  |      | <u>47,207</u>       | <u>45,900</u>       | <u>45,280</u>       |
| <b>Estate contribution</b>                       |      | (33,072)            | (25,189)            | (26,809)            |
| <b>Total sector expenditure as above</b>         |      | (47,207)            | (45,900)            | (45,280)            |
| <b>Total income as above</b>                     |      | 71,089              | 71,089              | 77,010              |
| <b>Surplus to be credited</b>                    |      | <u>(9,190)</u>      | -                   | 4,921               |
| Electricity - recharged                          | 8a   | (436)               | -                   | (1,076)             |
| Recoverable VAT                                  | 8b   | 9,948               | -                   | 4,148               |
| <b>Balance to be credited to tenants</b>         |      | <u>322</u>          | -                   | <u>7,993</u>        |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR  
CANARY RIVERSIDE ESTATE  
INCOME AND EXPENDITURE ACCOUNT - HOTEL**

**FOR THE YEAR ENDED 31 MARCH 2018**

|   | 2018<br>Actual<br>£ | 2018<br>Budget<br>£ | 2017<br>Actual<br>£ |
|---|---------------------|---------------------|---------------------|
| <b>Income relating to the period</b>            |                     |                     |                     |
| Service charge receivable (demanded on account) | 189,700             | 189,700             | 197,000             |
| Estate Service Charge receivable                | 212,654             | 212,654             | 237,312             |
| Water recharge                                  | 39,573              | -                   | 51,344              |
| <b>Total income</b>                             | <u>441,926</u>      | <u>402,354</u>      | <u>485,657</u>      |
| <b>Expenditure relating to the period</b>       |                     |                     |                     |
| <b>Utilities</b>                                |                     |                     |                     |
| Electricity                                     | 8a -                | 8,000               | 2,100               |
| Inenco electricity costs                        | 8g 872              | -                   | -                   |
| Water recharge expense                          | 39,573              | 45,000              | 21,002              |
| Release of 2016 accrued income                  | 8h 31,465           | -                   | -                   |
| <b>Contracts, maintenance and services</b>      |                     |                     |                     |
| General repairs and maintenance                 | 990                 | -                   | 5,205               |
| Electrical repairs                              | -                   | 1,200               | -                   |
| Sundry expenses                                 | 1,981               | -                   | 439                 |
| Water softener/ materials and lamps             | 3,755               | 2,000               | 7,195               |
| Rubbish removal                                 | 23,234              | 25,000              | 26,992              |
| Landscaping and gardening                       | 6,006               | 6,500               | 5,854               |
| Garden lighting maintenance                     | -                   | -                   | 909                 |
| Property vehicle/transport costs                | 1,601               | 1,000               | 5,205               |
| Canary Wharf irrigation charge                  | 2,807               | 3,500               | -                   |
| <b>Insurance</b>                                |                     |                     |                     |
| Building and terrorism insurance                | -                   | 97,500              | 94,831              |
| <b>Professional fees</b>                        |                     |                     |                     |
| Legal and professional fees                     | 1,740               | -                   | -                   |
| <b>Total expenditure</b>                        | <u>114,023</u>      | <u>189,700</u>      | <u>169,731</u>      |
| <b>Estate contribution</b>                      | (279,203)           | (212,654)           | (226,331)           |
| <b>Total expenditure as above</b>               | (114,023)           | (189,700)           | (169,731)           |
| <b>Total income as above</b>                    | <u>441,926</u>      | <u>402,354</u>      | <u>485,657</u>      |
| <b>Surplus to be credited</b>                   | 48,700              | -                   | 89,595              |
| Electricity - recharged                         | 8a (5,623)          | -                   | (12,618)            |
| Recoverable VAT                                 | 8b 47,738           | -                   | 19,221              |
| <b>Balance to be credited to tenants</b>        | <u>90,815</u>       | <u>-</u>            | <u>96,198</u>       |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR  
CANARY RIVERSIDE ESTATE  
INCOME AND EXPENDITURE ACCOUNT - CAR WASH  
FOR THE YEAR ENDED 31 MARCH 2018**

|   |      | 2018            | 2018            | 2017            |
|---|------|-----------------|-----------------|-----------------|
|   | note | Actual<br>£     | Budget<br>£     | Actual<br>£     |
| <b>Income relating to the period</b>              |      |                 |                 |                 |
| Service charge receivable (demanded on account )  | 8f   | 12,000          | 12,000          | -               |
| Service charge credited                           |      | (12,000)        | -               | -               |
| Estate Service Charge receivable                  |      | -               | -               | -               |
| Estate Reserve contribution receivable            |      | -               | -               | -               |
| <b>Total income</b>                               |      | <u>-</u>        | <u>12,000</u>   | <u>-</u>        |
| <b>Expenditure relating to the period</b>         |      |                 |                 |                 |
| <b>Utilities</b>                                  |      |                 |                 |                 |
| Metered water                                     |      | -               | -               | -               |
| <b>Total sector expenditure carried forward</b>   |      | <u>-</u>        | <u>-</u>        | <u>-</u>        |
| <b>Total income as above</b>                      |      | -               | 12,000          | -               |
| <b>Surplus/deficit to be (credited)/collected</b> |      | <u>-</u>        | <u>-</u>        | <u>-</u>        |
| Electricity - recharged                           |      | -               | -               | -               |
| Recoverable VAT                                   |      | -               | -               | -               |
| <b>Balance to be credited to tenants</b>          |      | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

SERVICE CHARGE STATEMENT OF ACCOUNT FOR

CANARY RIVERSIDE ESTATE

INCOME AND EXPENDITURE ACCOUNT - ELECTRICITY

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

|                                      | 2017         | 2018           | Total          |
|--------------------------------------|--------------|----------------|----------------|
| Electricity - Wholesale              | 590,211.30   | 1,827,419.08   | 2,417,630.38   |
| Recharged to all tenants / units     | (179,869.24) | (1,218,758.11) | (1,398,627.35) |
|                                      | 410,342.06   | 608,660.97     | 1,019,003.03   |
| Electricity: VAT recoverable element | (46,633.34)  | (223,619.85)   | (270,253.19)   |
| Net electricity position             | 363,708.72   | 385,041.12     | 748,749.84     |
| Accrual (income)                     | (216,575.28) | (344,264.24)   | (609,114.22)   |
| Accruals                             | 158,229.37   | 164,114.96     | 370,619.03     |
| Electricity cost                     | 305,562.81   | 204,891.84     | 510,254.65     |

see page 15

Electricity cost divided per sector as follows:

|   | RESIDENTIAL  | CP RES      | CP COMM    | CIR        | HOTEL       | WFI        | CLUB       | TOTAL        |
|---|--------------|-------------|------------|------------|-------------|------------|------------|--------------|
|   | 56.20%       | 13.41%      | 5.19%      | 1.40%      | 16.80%      | 1.60%      | 5.40%      |              |
| 1A Estate residential: £78,986.23 Gross   | 63,769.95    | 15,216.28   |            |            |             |            |            | 78,986.23    |
| 1B Estate commercial: £28,736.18 Net      |              |             | 4,907.56   | 1,323.81   | 15,885.75   | 1,512.93   | 5,106.13   | 28,736.18    |
| 1C Car Park residential: £77,341.45 Gross |              | 77,341.45   |            |            |             |            |            | 77,341.45    |
| 1D Car Park commercial: £24,972.45 Net    |              |             | 24,972.45  |            |             |            |            | 24,972.45    |
| 1E Sectored costs per HML schedule        | 282,906.62   |             |            | 6,490.15   | 2,356.03    |            | 8,465.54   | 300,218.34   |
| rounding difference 2017                  | 346,676.57   | 92,557.73   | 29,880.01  | 7,813.96   | 18,241.78   | 1,512.93   | 13,571.67  | 510,260.63   |
|   |              |             |            |            |             |            |            | 5.98         |
|   |              |             |            |            |             |            |            | (5.98)       |
| 3 LESS AMOUNTS CHARGED AT 31.03.2017      | (244,687.76) | (28,358.67) | (9,153.73) | (1,414.69) | (12,618.32) | (1,076.55) | (8,058.97) | (305,368.69) |
| TOTAL RECHARGE TO SECTOR as at 31.03.2018 | 101,988.81   | 64,199.06   | 20,726.28  | 6,399.27   | 5,623.46    | 436.38     | 5,512.70   | 204,891.94   |

Sundry difference

3 LESS AMOUNTS CHARGED AT 31.03.2017

TOTAL RECHARGE TO SECTOR as at 31.03.2018





**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**RESERVE FUND**  
**FOR THE YEAR ENDED 31 MARCH 2018**

|                                | Estate<br>reserve<br>£ | Residential<br>flats reserve<br>£ | Car park<br>reserve<br>£ | Commercial<br>reserve<br>£ | Commercial<br>in residential<br>reserve<br>£ | Total<br>£       |
|--------------------------------|------------------------|-----------------------------------|--------------------------|----------------------------|--|------------------|
| <b>Balance brought forward</b> | 297,262                | 505,263                           | 331,166                  | 8,593                      | -  | 1,142,285        |
| <b>Income</b>                  |                        |                                   |                          |                            |  |                  |
| Demanded in year               | 480,000                | 285,000                           | 25,000                   | -                          | 774  | 790,774          |
| Bank interest received         | 97                     | -                                 | -                        | -                          | -  | 97               |
| <b>Expenditure in period</b>   |                        |                                   |                          |                            |  |                  |
| External decorations           | (24,808)               | -                                 | -                        | -                          | -  | (24,808)         |
| Capital works                  | -                      | (200,642)                         | (25,317)                 | -                          | -  | (225,959)        |
| Bank charges                   | (59)                   | -                                 | -                        | -                          | -  | (59)             |
| <b>Balance carried forward</b> | <u>752,492</u>         | <u>589,621</u>                    | <u>330,849</u>           | <u>8,593</u>               | <u>774</u>                                   | <u>1,682,330</u> |

## SERVICE CHARGE STATEMENT OF ACCOUNT FOR

## CANARY RIVERSIDE ESTATE

## BALANCE SHEET

AS AT 31 MARCH 2018

|   | Notes | 2018<br>£               | 2017<br>£               |
|---|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                                 |       |                         |                         |
| Service charges due - Commercial              |       | 1,176,143               | 836,554                 |
| Service charges due - Residential             |       | 816,400                 | 426,090                 |
| Accrued income                                |       | 95,746                  | 191,555                 |
| Other debtors                                 |       | 99,771                  | 5,689                   |
| Amounts due from landlord                     | 8c    | 366,887                 | 366,887                 |
| Electricity debtor                            | 8a    | 302,013                 | 226,153                 |
| VAT control                                   | 8b    | 164,345                 | 24,910                  |
| Prepayments                                   |       | 31,865                  | 15,089                  |
| Bank and cash at bank - MEL                   | 8i    | 67,980                  | 239,195                 |
| Bank and cash at bank - HML                   | 5     | 890,955                 | 1,004,075               |
|   |       | <u>4,012,105</u>        | <u>3,336,193</u>        |
| <b>LIABILITIES</b>                            |       |                         |                         |
| Service charges paid in advance - Commercial  |       | 38,196                  | 8,063                   |
| Service charges paid in advance - Residential |       | 681,388                 | 652,434                 |
| Trade creditors - MEL to 30.9.2016            |       | -                       | 30,493                  |
| Trade creditors - HML from 1.10.2016          |       | 76,556                  | 349,541                 |
| Accruals                                      |       | 831,486                 | 460,082                 |
| Other creditors                               |       | 100,937                 | 12,486                  |
| Debtor difference 1 Oct - 10 Oct 2016         | 8i    | 37,641                  | 37,641                  |
| Surplus from 31.3.2016 to be credited         |       | 293,549                 | 293,549                 |
| Surplus for year to be credited               |       | 270,022                 | 349,616                 |
|   |       | <u>2,329,775</u>        | <u>2,193,908</u>        |
| <b>NET ASSETS</b>                             |       | <u><u>1,682,330</u></u> | <u><u>1,142,285</u></u> |
| <b>REPRESENTED BY:-</b>                       |       |                         |                         |
| Income and expenditure account                |       | -                       | -                       |
| <b>Reserve fund</b>                           |       |                         |                         |
| Estate reserve                                |       | 752,492                 | 297,262                 |
| Residential flats reserve                     |       | 589,621                 | 505,263                 |
| Car park reserve                              |       | 330,849                 | 331,166                 |
| Commercial reserve                            |       | 8,593                   | 8,593                   |
| Commercial in residential reserve             |       | 774                     | -                       |
|   |       | <u><u>1,682,330</u></u> | <u><u>1,142,285</u></u> |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR**  
**CANARY RIVERSIDE ESTATE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**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.

**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.

**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  
 Alexander Bonhill Limited  
 HML Company Secretarial Services  
 HML Concierge Services  
 HML Technical Services

**5. Summary of client bank account movements**

|                                       | £         |
|---------------------------------------|-----------|
| Balance brought forward 1 April 2017  | 1,243,269 |
| Movement in year                      | (284,334) |
| Balance carried forward 31 March 2018 | 958,935   |

**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               | 711,377       | 56.20% |
| Car Park                  | 235,438       | 18.60% |
| Commercial in Residential | 12,785        | 1.01%  |
| Club                      | 68,353        | 5.40%  |
| Westferry 1               | 25,189        | 1.99%  |
| Hotel                     | 212,654       | 16.80% |
|                           | 1,265,796     |        |

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR  
CANARY RIVERSIDE ESTATE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**7. Estate expenditure split**

|                           | SC<br>expenditure<br>£ |        |
|---------------------------|------------------------|--------|
| Residential               | 934,001                | 56.20% |
| Car Park                  | 309,118                | 18.60% |
| Commercial in Residential | 16,785                 | 1.01%  |
| Club                      | 89,744                 | 5.40%  |
| Westferry 1               | 33,072                 | 1.99%  |
| Hotel                     | <u>279,203</u>         | 16.80% |
|                           | <u>1,661,924</u>       |        |

**8a Communal electricity**

The methodology for the recharging of electricity has been adjusted to reflect kwh metered consumption made up of a combination of charges based on metered consumption and where not available, estimated charges based on historic average annualised consumption. As a result the position has been reviewed from 1st October 2016 to 31st March 2018 and restated in these accounts having taken into account the charges already reflected in the 2017 accounts. The balance remaining has been charged in the year under review. 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 credits and debits may be applied 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 14, shows the electricity workings and the amounts transferred to each cost schedule and is shown as a separate adjustment at the bottom of each relevant income and expenditure account.

**8b 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 cannot be recovered with a separate line item for the recoverable VAT on the applicable schedules.

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

This matter is still under review and a number of the items are accrued within the accounts.

**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.

**8f Car Wash**

Car wash service charges were originally raised but subsequently reversed.

**SERVICE CHARGE STATEMENT OF ACCOUNT FOR****CANARY RIVERSIDE ESTATE****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2018****8g Inenco electricity costs**

Electricity costs as provided by Inenco, as notified by CREM, have been included in these accounts.

**8h Release of 2016 accrued income for gas and water**

There was gas and water accrued income provided for in the MEL figures to 30 September 2016. However these costs were never recharged by MEL and have not been confirmed as recoverable by the landlord and have therefore been written off in these accounts as per the schedules shown in the MEL paperwork provided.

**8i Bank and Debtor difference**

The bank account attributable to MEL at the handover date and the debtor difference relating to October 2016 are matters still under review at the year end date.