

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

29 September 2022
SU.pc

Dear All,

Service Charge Accounts – Year Ended 31 March 2022

Please find herewith the certified accounts of service charge expenditure for the year ended 31 March 2022. This period coincided with the emergence of the country from lockdown and the labour shortages and supply chain difficulties which, along with spiking energy costs, gave rise to the inflation that is now at such serious levels.

Despite all these difficulties, and the increase in insurance costs, we ended the financial year within budget and an overall surplus of £394,529 as shown on Page 3 of the accounts. This has been achieved by savings elsewhere, particularly in M&E repairs and callouts which have been substantially reduced by our better husbandry of plant and equipment since taking over this management. Our upgrading of emergency lighting in common parts and the car parks and energy-saving sensors were funded by reserves as was the redecoration of selected landings and corridors which were in a poor state.

The biggest issue for Canary Riverside remains energy costs. As a communal supply, the main electricity meters to all blocks of flats are designated as commercial and are therefore subject to the full market price. This is currently being quoted at 87p per day unit compared with 21p last year. Fortunately there is some relief to commercial users as announced last week by the Truss government in terms of a rebate on bills for the 6 months from 1st October 2022. Whilst the details and mechanics of the rebate scheme are still sketchy, and a further announcement is due this weekend, our current assumption is that the rebate may bring the 87p down to a net 49p – still more than double the previous year's cost.

Based on our consumption, that effectively means an electricity bill of over half-a-million pounds going out of the service charge account every single month! This is an unprecedented situation we need to be prepared for in terms of cashflow management. Over the coming days, as the rebate picture becomes clearer, I shall have to assess what supplementary energy charge will need to be billed to all tenants, commercial and residential, to cover this contingency. Whilst commercial tenants are already being billed in advance for their electricity usage, we may need to extend that to flats, all of which now have new Smart meters installed.

.../...2

The government's rushed rebate scheme along with the apparent sabotage of the Nordstream gas pipeline this week have coincided with the renewal date of our annual electricity contract, tendering for which has been chaotic. Suppliers quote prices in the morning only to pull them by lunchtime. As the government's rebate scheme is limited to the next 6 months, I am being advised by the two energy brokers I have been dealing with to fix our own renewal for 6 months instead of the customary 12 months. This will also make for more accurate budgeting when the next renewal coincides with the start of the service charge year.

One of the great injustices of the system is that the supplies to flats in Canary Riverside and similar estates are designated commercial and therefore not eligible for the OFGEM cap and domestic rebates. This is something I have taken up with lobbyists who have been successful in part by securing the commercial rebate mentioned above. However, my main aim is to get the network adopted for residential tariffs so that every leaseholder might be free to negotiate their own deal with a preferred supplier using their new Smart meter. This is a work in progress and I will update flat owners further as this develops.

Because of the constantly changing picture on energy, our biggest ticket item, I have delayed the issue of a newsletter I would normally expect to send out at this time of year. I do expect to issue one next month to further update on energy and cover a wide range of current issues ranging from cladding to entry-access and the rollout of the new fob system.

Yours sincerely,

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

Sol Unsdorfer, FIRPM
Section 24 Manager

**Canary Riverside Estate
Service Charge Accounts**

Year ended 31st March 2022



CLARKE & CO

CHARTERED ACCOUNTANTS

ACORN HOUSE
33 CHURCHFIELD ROAD
LONDON W3 6AY
Telephone: 020 8993 5931
Facsimile: 020 8992 8503
E-mail: partners@clarke-acct.co.uk

**Canary Riverside Estate
Service Charge Accounts**

Contents

| | Page |
|---|-------------|
| Manager of Canary Riverside Estate Letter of Representation | 1 |
| Independent Accountants' Report | 2 |
| Income and Expenditure Account Summary | 3 |
| Income and Expenditure Accounts per Sector | 4-13 |
| Electricity and VAT Recharge Schedules | 14 |
| Reserve Fund | 15 |
| Balance Sheet | 16 |
| Notes to the Service Charge Accounts | 17-18 |

**Canary Riverside Estate
Service Charge Accounts**

**Letter of Representation from S. Unsdorfer to Accountant
Year ended 31st March 2022**

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

I was appointed Manager of Canary Riverside Estate on 1st October 2019 by the First Tier Tribunal and I am responsible for ensuring that the financial management of the service charges is sound and that there is an effective system of internal control which facilitates the proper use of the service charges and which includes arrangements for good management of the building and all communal grounds for which I have responsibility.

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

I confirm that all relevant costs included as expenditure in the service charge information for the year ended 31st March 2022 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: 29/9/22

Sol Unsdorfer's Declaration

I approve the attached summary of costs.

S. Unsdorfer

Date: 29/9/22

**Canary Riverside Estate
Service Charge Accounts**

**Independent Accountants' Report
Year ended 31st March 2022**

In accordance with our engagement, we have performed the procedures agreed with you and enumerated below with respect to the service charge accounts set out in the following pages for the year ended 31st March 2022 in order to provide a report of factual findings about the service charge accounts that you have been issued.

This report is made to Sol Unsdorfer who was appointed Manager by the First Tier Tribunal - Property 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 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 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.

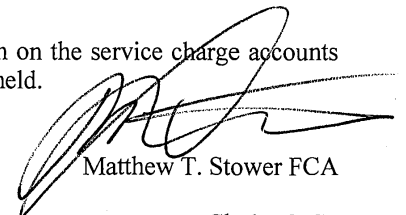
Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, other matters might have come to our attention that would have been reported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

Date: 29th September 2022

Acorn House
33 Churchfield Road
Acton, London W3 6AY


Matthew T. Stower FCA

Clarke & Co
Chartered Accountants
Statutory Auditors

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - All Sectors Summary
Year ended 31st March 2022**

| | Estate £ | Residential Flats £ | Car Park (Residential) £ | Commercial (incl Car Park) £ | Total £ |
|--|--------------------|---------------------------|--------------------------------|------------------------------------|--------------------|
| Income | | | | | |
| Service charge receivable | 1,226,170 | 2,205,769 | 214,101 | 252,837 | 3,898,877 |
| Interest transferred to Estate reserves | - | 10,869 | - | 3,744 | 14,613 |
| Total income | <u>1,226,170</u> | <u>2,216,638</u> | <u>214,101</u> | <u>256,581</u> | <u>3,913,490</u> |
| Expenditure relating to the period | | | | | |
| | <u>(1,078,453)</u> | <u>(2,070,181)</u> | <u>(103,001)</u> | <u>(267,326)</u> | <u>(3,518,961)</u> |
| Surplus/(deficit) for the period | 147,717 | 146,457 | 111,100 | (10,745) | 394,529 |
| Net contribution from other blocks | (147,717) | 83,017 | 19,922 | 44,778 | - |
| Surplus/(deficit) before recharges and provisions | - | 229,474 | 131,022 | 34,033 | 394,529 |
| Provision for electricity shortfall/ security deposit | - | - | - | - | - |
| Provision for insurance excess and claims shortfall | - | - | - | - | - |
| Surplus/(deficit) | <u>£ -</u> | <u>£ 229,474</u> | <u>£131,022</u> | <u>£ 34,033</u> | <u>£ 394,529</u> |

Balance Sheet Summary

| | 2022 £ | 2021 £ |
|-------------------|--------------------|--------------------|
| Assets | 6,835,016 | 8,034,862 |
| Liabilities | <u>(1,892,237)</u> | <u>(3,213,753)</u> |
| Net assets | <u>£4,942,779</u> | <u>£4,821,109</u> |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Estate
Year ended 31st March 2022**

| Note | Budget £ | 2022 £ | 2021 £ |
|--|-------------|-------------|-------------|
| Income | | | |
| Service charge receivable | 1,084,529 | 1,226,170 | 1,166,653 |
| Estate service charge transferred to relevant blocks | (1,084,529) | (1,226,170) | (1,166,653) |
| | £ - | £ - | £ - |
| Expenditure | | | |
| Staffing | | | |
| Contracts and management staff | 186,134 | 205,026 | 182,286 |
| HR Admin PA | 27,920 | 29,986 | 29,043 |
| Uniforms and training | 1,125 | 1,299 | 297 |
| Staff equipment water and welfare needs | 1,000 | 4,344 | 1,153 |
| Parcel logging system | 2,000 | (1,253) | 1,293 |
| Staff recruitment | 1,000 | - | - |
| Utilities | | | |
| Electricity | 120,000 | - | - |
| Telephone, mobile and radios | 1,800 | 420 | 853 |
| Contracts, maintenance and services | | | |
| Door entry system | 3,000 | 4,378 | 4,632 |
| Drainage system | 5,000 | 10,352 | - |
| Fire alarm/equipment maintenance | 12,000 | 26,708 | 20,743 |
| General repairs and maintenance | 30,000 | 27,016 | 33,037 |
| Security/CCTV | 355,000 | 402,928 | 399,420 |
| Pest control | 3,000 | 1,627 | 1,279 |
| Estate Gator | 2,000 | 814 | - |
| Mechanical and electrical maintenance (contract) | 90,000 | 122,547 | 160,310 |
| Electrical repairs | 2,500 | 3,025 | 678 |
| Clever energy, billing and consulting | 35,500 | 35,773 | 5,352 |
| Energy controls, metering contract | 30,000 | 17,088 | 34,176 |
| Sign writing and notices | 350 | 3,567 | 1,255 |
| Lift maintenance contract and repairs | 5,250 | 3,872 | 3,872 |
| Cleaning | 11,250 | 12,674 | 13,928 |
| Lighting and fittings | 7,700 | 48 | 7,462 |
| Cleaning materials | 2,000 | 591 | 1,482 |
| Canary Wharf irrigation charge | 12,500 | 12,500 | - |
| Insurance | | | |
| Public liability insurance | - | 2,414 | 2,274 |
| Other insurance | - | 5,157 | 3,478 |
| Public liability insurance year ended 31.3.2020 | - | (2,236) | - |
| Other insurance year ended 31.3.2020 | - | 2,236 | - |
| Carried forward | 948,029 | 932,901 | 908,303 |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Estate
Year ended 31st March 2022**

| Note | Budget £ | 2022 £ | 2021 £ |
|--|---------------------|-------------------|-------------------|
| Brought forward | 948,029 | 932,901 | 908,303 |
| Professional fees | | | |
| Accountancy | 15,000 | 10,466 | 9,114 |
| VAT accounting | - | 13,670 | 13,670 |
| Prior year VAT accounting | - | - | 6,835 |
| Legal fees | 100,000 | 200,473 | 41,974 |
| Part refund of HML legal and professional fees | - | (91,390) | - |
| Health and safety | 5,000 | 3,178 | 1,389 |
| Professional fees | 15,000 | 7,088 | 12,471 |
| General expenses | | | |
| Interest on late payment | - | - | (777) |
| Bank charges | 500 | 600 | 600 |
| Sundry expenses | 1,000 | 1,467 | 8,278 |
| Total Sector Expenditure | <u>£1,084,529</u> | <u>£1,078,453</u> | <u>£1,001,859</u> |
| | | | |
| Summary | Budget £ | 2022 £ | 2021 £ |
| Total income | 1,084,529 | 1,226,170 | 1,166,653 |
| Total expenditure | (1,084,529) | (1,078,453) | (1,001,859) |
| Surplus/(deficit) for the period | - | 147,717 | 164,794 |
| Net contribution (to)/from other blocks | - | (147,717) | (164,794) |
| | <u>£ -</u> | <u>£ -</u> | <u>£ -</u> |
| | | | |
| Estate income split | | | |
| Residential | 56.20 % | 689,108 | 655,659 |
| Car Park | 18.60 % | 228,068 | 216,997 |
| Commercial in residential | 1.01 % | 12,384 | 11,783 |
| Club | 5.40 % | 66,213 | 62,999 |
| Westferry 1 | 1.99 % | 24,401 | 23,216 |
| Hotel | 16.80 % | 205,997 | 195,998 |
| Total Sector Expenditure | <u>100.00%</u> | <u>£1,226,170</u> | <u>£1,166,653</u> |
| | | | |
| Estate expenditure split | | | |
| Residential | 56.20 % | 606,091 | 563,045 |
| Car Park | 18.60 % | 200,592 | 186,346 |
| Commercial in residential | 1.01 % | 10,892 | 10,119 |
| Club | 5.40 % | 58,237 | 54,100 |
| Westferry 1 | 1.99 % | 21,461 | 19,937 |
| Hotel | 16.80 % | 181,180 | 168,312 |
| Total Sector Expenditure | | <u>£1,078,453</u> | <u>£1,001,859</u> |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Residential
Year ended 31st March 2022**

| Note | Budget £ | 2022 £ | 2021 £ |
|--|-------------------|-------------------|-------------------|
| Income | | | |
| Service charge receivable | 2,195,397 | 2,199,790 | 2,333,839 |
| Estate service charge receivable | 609,505 | 689,108 | 655,659 |
| Interest received | - | 10,869 | - |
| 2020 interest transferred to estate reserves | - | - | (2,789) |
| Service charge for prior periods backdated | - | 5,979 | - |
| | <u>£2,804,902</u> | <u>£2,905,746</u> | <u>£2,986,709</u> |
| Expenditure | | | |
| Staffing | | | |
| Concierge | 284,867 | 287,622 | 259,032 |
| HR Admin PA | 42,730 | 41,035 | 39,608 |
| Uniforms and training | 1,250 | 2,690 | 1,992 |
| Parcel logging system | 5,000 | 5,378 | 6,342 |
| Staff recruitment | 2,000 | - | - |
| Staff equipment, water and welfare needs | 3,000 | 3,698 | - |
| Utilities | | | |
| Electricity | 275,000 | 214,878 | 207,117 |
| Gas | 40,000 | 60,721 | 50,923 |
| Gas - recoverable from commercial | - | (6,464) | (6,789) |
| Water | 120,000 | 202,526 | 217,628 |
| Water- recoverable from commercial | - | (66,558) | (160,067) |
| Telephone, mobile and radios | 4,000 | 3,108 | 2,638 |
| Contracts, maintenance and services | | | |
| Door entry system/CCTV | 12,000 | 6,436 | 14,871 |
| Fire alarm/equipment maintenance | - | 10,838 | 28,486 |
| General repairs and maintenance | 80,000 | 61,438 | 62,750 |
| Lighting and fittings | 8,000 | 15,306 | 2,508 |
| Water softener | 3,000 | - | 684 |
| Mechanical and electrical maintenance | 160,000 | 36,105 | 75,523 |
| Electrical repairs | 5,000 | (1,054) | 48,055 |
| Sign writing and notices | 1,250 | 1,029 | 594 |
| Electricity metering upgrades | 36,000 | 36,000 | 38,028 |
| Energy, billing and consulting | - | 1,305 | 31,947 |
| Residential Gator | - | - | 275 |
| Lift maintenance contract and repairs | 115,500 | 104,020 | 101,451 |
| Cleaning | 129,000 | 129,952 | 130,917 |
| Cleaning materials | 2,000 | 1,589 | 1,216 |
| Window cleaning | 45,000 | 44,797 | 22,749 |
| Rubbish removal | 52,800 | 16,967 | 10,436 |
| Water softener - adjustment for prior year | - | 1,996 | - |
| Gardening and landscaping | 24,000 | 36,052 | 26,391 |
| Water treatment | - | 7,955 | 10,697 |
| Satellite, TV, aerials and maintenance | 2,000 | 1,877 | 1,541 |
| Cradle maintenance | 2,000 | - | 504 |
| | <u>1,455,397</u> | <u>1,261,243</u> | <u>1,228,048</u> |
| Carried forward | | | |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Residential
Year ended 31st March 2022**

| | Note | Budget £ | 2022 £ | 2021 £ |
|--|------|-------------------|-------------------|-------------------|
| Brought forward | | 1,455,397 | 1,261,243 | 1,228,048 |
| Insurance | | | | |
| Building and terrorism insurance | | 422,000 | 507,423 | 438,855 |
| Engineering insurance | | 4,500 | 14,759 | 9,889 |
| Engineering insurance - adjustment for previous years | | - | 1,874 | - |
| Professional fees | | | | |
| Legal fees | | 80,000 | 74,564 | 60,740 |
| Management fees | | 195,000 | 195,000 | 195,000 |
| Combined health and safety and fire risk assessment | | 6,500 | 6,720 | 6,785 |
| Professional fees | | 25,000 | 4,800 | 2,198 |
| General expenses | | | | |
| Sundry expenses | | 2,000 | 3,798 | 5,166 |
| Total Sector Expenditure | | <u>£2,195,397</u> | <u>£2,070,181</u> | <u>£1,946,681</u> |

| Summary | Budget £ | 2022 £ | 2021 £ |
|---------------------------------|-------------|------------------|------------------|
| Total income | 2,804,902 | 2,905,746 | 2,986,709 |
| Total sector expenditure | (2,195,397) | (2,070,181) | (1,946,681) |
| Estate expenditure contribution | (609,505) | (606,091) | (563,045) |
| | <u>£ -</u> | <u>£ 229,474</u> | <u>£ 476,983</u> |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Car Park
Year ended 31st March 2022**

| | | Budget 2022 | | | 2022 | | 2021 | |
|--|---------------------------|------------------|-----------------|---------------------------|------------------|-----------------|------------|-----------------|
| Note | Hotel and Commercial £ | Residential £ | Total £ | Hotel and Commercial £ | Residential £ | Total £ | Total £ | Total £ |
| | | | | | | | | |
| Income | | | | | | | | |
| Service charge receivable | 40,823 | 214,124 | 254,947 | 40,823 | 214,101 | 254,924 | | 266,696 |
| Estate service charge receivable | 55,454 | 146,269 | 201,723 | 62,696 | 165,372 | 228,068 | | 216,997 |
| | <u>£96,277</u> | <u>£360,393</u> | <u>£456,670</u> | <u>£103,519</u> | <u>£379,473</u> | <u>£482,992</u> | | <u>£483,693</u> |
| Expenditure | | | | | | | | |
| Utilities | | | | | | | | |
| Electricity - communal | 24,741 | 68,522 | 93,263 | 19,538 | 51,578 | 71,116 | | 68,548 |
| Contracts, maintenance and services | | | | | | | | |
| Gates/shutter/barrier maintenance | - | - | - | - | 5,051 | 5,051 | | 4,960 |
| General repairs and maintenance | 2,199 | 6,961 | 9,160 | 1,405 | 6,958 | 8,363 | | 25,872 |
| Mechanical and electrical, engineering and plant maintenance | 4,124 | 13,052 | 17,176 | - | - | - | | 17,018 |
| Electrical repairs | 1,650 | 5,221 | 6,871 | - | - | - | | 11,921 |
| Professional fees | - | - | - | - | - | - | | 300 |
| Health and safety | - | - | - | 257 | 812 | 1,069 | | - |
| Management fees | 6,872 | 21,753 | 28,625 | 7,000 | 21,600 | 28,600 | | 28,600 |
| Lighting and fittings | 687 | 2,175 | 2,862 | - | 2,824 | 2,824 | | - |
| Company surface paintings | 550 | 1,740 | 2,290 | - | - | - | | - |
| Insurance | | | | | | | | |
| Building and terrorism insurance | - | 92,000 | 92,000 | - | 13,800 | 13,800 | | 11,319 |
| Engineering insurance | - | 2,700 | 2,700 | - | 378 | 378 | | 2,811 |
| | <u>£40,823</u> | <u>£214,124</u> | <u>£254,947</u> | <u>£28,200</u> | <u>£103,001</u> | <u>£131,301</u> | | <u>£171,349</u> |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Car Park
Year ended 31st March 2022**

| Note | Budget 2022 | | | | 2021 Total £ | |
|---|------------------------------|------------------|------------|------------------------------|--------------------|------------------|
| | Hotel and Commercial £ | Residential £ | Total £ | Hotel and Commercial £ | | Residential £ |
| Summary | | | | | | |
| Total income | 96,277 | 360,393 | 456,670 | 103,519 | 379,473 | 482,992 |
| Total sector expenditure | (40,823) | (214,124) | (254,947) | (28,200) | (103,001) | (131,301) |
| Estate expenditure contribution | (55,454) | (146,269) | (201,723) | (55,142) | (145,450) | (200,592) |
| Surplus/(deficit) before recharges and VAT Recoverable VAT | - | - | - | 20,177 | 131,022 | 151,199 |
| Surplus/(deficit) before recharge and provisions | £ - | £ - | £ - | £ 20,177 | £131,022 | £151,199 |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Commercial in Residential (CIR)
Year ended 31st March 2022**

| Note | Budget £ | 2022 £ | 2021 £ |
|---|---------------------|-------------------|-------------------|
| Income | | | |
| Service charge receivable | 10,949 | 12,713 | 16,172 |
| Estate service charge receivable | 10,954 | 12,384 | 11,783 |
| | <u>£21,903</u> | <u>£25,097</u> | <u>£27,955</u> |
| Expenditure | | | |
| Utilities | | | |
| Electricity | 3,000 | 5,352 | 5,160 |
| Electricity adjustment for previous year | - | (1,438) | - |
| Contracts, maintenance and services | | | |
| General repairs and maintenance | 600 | - | - |
| Window cleaning | 1,200 | - | 125 |
| Rubbish removal | 4,400 | 18,179 | 13,132 |
| CIR Gator | - | - | 7 |
| Management fees | 1,749 | 1,749 | 1,750 |
| Total Sector Expenditure | <u>£10,949</u> | <u>£23,842</u> | <u>£20,174</u> |
| Summary | | | |
| | Budget £ | 2022 £ | 2021 £ |
| Total income | 21,903 | 25,097 | 27,955 |
| Total sector expenditure | (10,949) | (23,842) | (20,174) |
| Estate expenditure contribution | (10,954) | (10,892) | (10,119) |
| Surplus/(deficit) before recharges and VAT | - | (9,637) | (2,338) |
| Recoverable VAT | - | - | - |
| (Deficit)/surplus before recharges and provisions | <u>£ -</u> | <u>£(9,637)</u> | <u>£(2,338)</u> |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Club
Year ended 31st March 2022**

| Note | Budget £ | 2022 £ | 2021 £ |
|--|---------------------|-------------------|-------------------|
| Income | | | |
| Service charge receivable | 61,954 | 61,954 | 59,442 |
| Estate service charge receivable | 58,565 | 66,213 | 62,999 |
| | <u>£120,519</u> | <u>£128,167</u> | <u>£122,441</u> |
| Expenditure | | | |
| Utilities | | | |
| Electricity | 20,000 | 20,647 | 19,901 |
| Water recharge expense | - | - | - |
| Contracts, maintenance and services | | | |
| Water softener - adjustment for prior year | - | (998) | - |
| General repairs and maintenance | - | 1,920 | (26) |
| Electricity metering | - | - | 1,290 |
| Club Gator | - | - | 37 |
| Lift maintenance contract | 17,000 | 14,445 | 14,948 |
| Gardening and landscaping | 2,000 | - | - |
| Window cleaning | - | - | 490 |
| Rubbish removal | 8,800 | 18,179 | 11,916 |
| Engineering insurance | 1,800 | - | 1,874 |
| Water softener/materials and lamps | 3,000 | 741 | 998 |
| Management fees | 9,354 | 9,354 | 9,354 |
| Engineering insurance - adjustment for prior year | - | (1,874) | - |
| Total Sector Expenditure | <u>£61,954</u> | <u>£62,414</u> | <u>£60,782</u> |
| Summary | | | |
| | Budget £ | 2022 £ | 2021 £ |
| Total income | 120,519 | 128,167 | 122,441 |
| Total sector expenditure | (61,954) | (62,414) | (60,782) |
| Estate expenditure contribution | (58,565) | (58,237) | (54,100) |
| Surplus/(deficit) before recharges and VAT | <u>-</u> | <u>7,516</u> | <u>7,559</u> |
| Recoverable VAT | - | - | - |
| (Deficit)/surplus before recharges and provisions | <u>£ -</u> | <u>£ 7,516</u> | <u>£ 7,559</u> |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Westferry 1
Year ended 31st March 2022**

| | Note | Budget £ | 2022 £ | 2021 £ |
|---|------|----------------|----------------|----------------|
| Income | | | | |
| Interest | | - | 3,744 | - |
| Service charge receivable | | 47,447 | 47,447 | 53,399 |
| Estate service charge receivable | | 21,582 | 24,401 | 23,216 |
| | | <u>£69,029</u> | <u>£75,592</u> | <u>£76,615</u> |
| Expenditure | | | | |
| Contracts, maintenance and services | | | | |
| Electricity | | - | 6,117 | 5,897 |
| Electricity - adjusted for prior year | | - | 1,438 | - |
| Rubbish removal | | 44,000 | 18,179 | 11,916 |
| Westferry 1 Gator | | - | - | 14 |
| Management fees | | 3,447 | 3,447 | 3,447 |
| Interest on late payment | | - | 3,744 | - |
| | | <u>£47,447</u> | <u>£32,925</u> | <u>£21,274</u> |
| Summary | | | | |
| | | Budget £ | 2022 £ | 2021 £ |
| Total income | | 69,029 | 75,592 | 76,615 |
| Total sector expenditure | | (47,447) | (32,925) | (21,274) |
| Estate expenditure contribution | | (21,582) | (21,461) | (19,937) |
| Surplus/(deficit) | | - | 21,206 | 35,404 |
| Recoverable VAT | | - | - | - |
| (Deficit)/surplus before recharges and provisions | | <u>£ -</u> | <u>£21,206</u> | <u>£35,404</u> |

**Canary Riverside Estate
Service Charge Accounts**

**Income and Expenditure Account - Hotel
Year ended 31st March 2022**

| Note | Budget £ | 2022 £ | 2021 £ |
|---|---------------------|-------------------|-------------------|
| Income | | | |
| Service charge receivable | 89,900 | 89,900 | 65,067 |
| Estate service charge receivable | 182,201 | 205,997 | 195,998 |
| Water recharge | - | - | - |
| | <u>£272,101</u> | <u>£295,897</u> | <u>£261,065</u> |
| Expenditure | | | |
| Utilities | | | |
| Electricity | 45,000 | 64,234 | 61,914 |
| Water recharge expense | - | - | - |
| Contracts, maintenance and services | | | |
| General repairs and maintenance | - | 1,150 | - |
| Mechanical and electrical | - | - | - |
| Hotel Gator | - | - | 115 |
| Gardening and landscaping | 6,000 | 7,539 | 6,821 |
| Rubbish removal | 8,800 | 18,179 | 11,916 |
| Canary Wharf irrigation charge | - | - | 2,663 |
| Water softener/materials and lamps | 1,000 | 741 | 998 |
| Management fees | 29,100 | 29,100 | 29,100 |
| Water softener - adjustment for prior years | - | (998) | - |
| Total Sector Expenditure | <u>£89,900</u> | <u>£119,945</u> | <u>£113,527</u> |
| Summary | | | |
| | Budget £ | 2022 £ | 2021 £ |
| Total income | 272,101 | 295,897 | 261,065 |
| Total sector expenditure | (89,900) | (119,945) | (113,527) |
| Estate expenditure contribution | (182,201) | (181,180) | (168,312) |
| Surplus/(deficit) | - | (5,228) | (20,774) |
| Recoverable VAT | - | - | - |
| (Deficit)/surplus before recharges and provisions | <u>£ -</u> | <u>£(5,228)</u> | <u>£(20,774)</u> |

**Canary Riverside Estate
Service Charge Accounts**

**Electricity and Recharge Account
Year ended 31st March 2022**

| Electricity | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Electricity - wholesale | 2,753,458 | 1,768,248 |
| Directly recharged to all tenants/units | (2,106,979) | (1,295,095) |
| | <u>646,479</u> | <u>473,153</u> |
| Less: Commercial VAT | (263,298) | (117,745) |
| | <u>383,181</u> | <u>355,408</u> |
| Net electricity position | 383,181 | 355,408 |
| Electricity - VAT due to HMRC | 25,858 | 13,128 |
| Prior year adjustment | (26,693) | - |
| | <u>£ 382,346</u> | <u>£ 368,536</u> |

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

| | Residential | CP Res. | CP Comm. | CIR | Hotel | WF1 | Club | Total |
|--|--------------------|----------------|-----------------|---------------|----------------|---------------|----------------|-----------------|
| | 56.20% | 13.49% | 5.1% | 1.40% | 16.80% | 1.60% | 5.40% | |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Car Park - residential | - | 51,578 | - | - | - | - | - | 51,578 |
| Car Park - commercial | - | - | 19,538 | - | - | - | - | 19,538 |
| Residential | 214,878 | - | - | - | - | - | - | 214,878 |
| CIR | - | - | - | 5,353 | - | - | - | 5,353 |
| Westferry 1 | - | - | - | - | - | 6,118 | - | 6,118 |
| Club | - | - | - | - | - | - | 20,647 | 20,647 |
| Hotel | - | - | - | - | 64,234 | - | - | 64,234 |
| | <u>£214,878</u> | <u>£51,578</u> | <u>£19,538</u> | <u>£5,353</u> | <u>£64,234</u> | <u>£6,118</u> | <u>£20,647</u> | <u>£382,346</u> |
| Total recharge to sectors as at 31st March 2022 | | | | | | | | |

**Canary Riverside Estate
Service Charge Accounts**

**Reserve Fund
Year ended 31st March 2022**

| | Estate Reserve £ | Residential Flats Reserve £ | Car Park Cladding Reserve £ | Car Park Reserve £ | Commercial Reserve - held by Landlord £ | Westferry 1 £ | Club £ | Commercial in Residential Reserve £ | Total £ |
|----------------------------------|---------------------|--------------------------------|--------------------------------|-----------------------|--|------------------|-----------|--|------------|
| Balance as at 1st April 2021 | 1,759,034 | 2,541,059 | 141,913 | 343,254 | 11,127 | 17,944 | 4,201 | 2,578 | 4,821,110 |
| Reallocation of reserves | 488 | - | (34,711) | 34,711 | - | - | - | (488) | - |
| Demanded in period | 250,685 | 390,782 | - | 49,999 | - | - | - | - | 691,466 |
| Demanded for the previous period | - | 2,269 | - | - | - | - | - | - | 2,269 |
| Interest received (net) | - | - | - | 8 | 5 | 3,744 | - | - | 3,757 |
| Expenditure incurred | (125,243) | (280,275) | - | (170,305) | - | - | - | - | (575,823) |
| Balance as at 31st March 2022 | £1,884,964 | £2,653,835 | £107,202 | £257,667 | £11,132 | £21,688 | £4,201 | £2,090 | £4,942,779 |

Notes

1. The landlord is holding cash balances of £44,161.60 in a designated bank account entitled "Canary Riverside Estate Management Limited" - Commercial Car Park Reserve Fund.
2. The landlord is holding cash balances of £11,132.08 in a designated bank account entitled "Canary Riverside Estate Management Limited" - Commercial Reserve Fund.

**Canary Riverside Estate
Service Charge Accounts**

**Balance Sheet
Year ended 31st March 2022**

| Note | 2022 | 2021 |
|--|--------------------|-------------------|
| | £ | £ |
| Assets | | |
| Deficit for the year | - | - |
| Service charges due - Commercial | 787,153 | 1,512,530 |
| Service charges due - Residential | 188,899 | 2,298,351 |
| Other debtors | 68,931 | 68,925 |
| Amounts due from landlord | 12,423 | 446,299 |
| Electricity debtor | 1,530,077 | 1,329,873 |
| VAT control | 80,157 | - |
| Prepayments | 195,378 | 377,202 |
| Bank and cash at bank - Landlord | 55,397 | 55,397 |
| Bank and cash at bank - Managing agent | 3,916,601 | 1,946,286 |
| | <u>6,835,016</u> | <u>8,034,863</u> |
| Liabilities | | |
| Service charges paid in advance | | |
| - Residential | - | 229,584 |
| Trade creditors | 123,308 | 222,613 |
| Accruals | 691,954 | 2,070,188 |
| VAT control | - | 6,088 |
| Other creditors | 62,446 | 62,446 |
| Provision for electricity shortfall/ security deposit | 500,000 | 500,000 |
| Provision for insurance excess and claims shortfall | 120,000 | 120,000 |
| Surplus for the year | 394,529 | (1,892,237) |
| | <u>(1,892,237)</u> | <u>2,834</u> |
| Net Assets | <u>£4,942,779</u> | <u>£4,821,110</u> |

Represented by:

Reserve Fund

| | | |
|---|-------------------|-------------------|
| Estate reserve | 1,884,964 | 1,759,034 |
| Residential flats reserve | 2,653,835 | 2,541,059 |
| Car park cladding reserve and car park reserve | 364,869 | 485,167 |
| Commercial reserve - held by landlord | 11,132 | 11,127 |
| Westferry 1 | 21,688 | 17,944 |
| Club | 4,201 | 4,201 |
| Commercial in residential reserve | 2,090 | 2,578 |
| | <u>£4,942,779</u> | <u>£4,821,110</u> |

Canary Riverside Estate Service Charge Accounts

**Notes to the Accounts
Year ended 31st March 2022**

1. Accounting policies

The accounts have been prepared on the accruals and prepayments 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 Parkgate Aspen Limited deposit account re Canary Riverside Cladding Account 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 14th April 2004 and has been used consistently since then.

| | Service Charge Receivable | |
|---------------------------|--------------------------------------|---------|
| | £ | |
| Residential | 689,108 | 56.20 % |
| Car park | 228,068 | 18.60 % |
| Commercial in residential | 12,384 | 1.01 % |
| Club | 66,213 | 5.40 % |
| Westferry 1 | 24,401 | 1.99 % |
| Hotel | 205,997 | 16.80 % |
| | £1,226,170 | |

5. Estate expenditure split

| | Service Charge Expenditure | |
|---------------------------|---------------------------------------|---------|
| | £ | |
| Residential | 606,091 | 56.20 % |
| Car park | 200,592 | 18.60 % |
| Commercial in residential | 10,892 | 1.01 % |
| Club | 58,237 | 5.40 % |
| Westferry 1 | 21,461 | 1.99 % |
| Hotel | 181,180 | 16.80 % |
| | £1,078,453 | |

**Canary Riverside Estate
Service Charge Accounts**

**Notes to the Accounts
Year ended 31st March 2022**

6a. Amounts due to/from landlord

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

| | |
|--|--------------------|
| Total owed by Landlord to CRE service charge | £ |
| Service charges | |
| CREM commercial parking spaces (Canary Car Park & Wash) | 156,854.81 |
| Commercial disputes | |
| Shortfall - CREM deduction from Inv 109351 | 7,288.33 |
| Miscellaneous | |
| FTT legal fees- CREM shortfall in payment | 12,423.55 |
| Total CREM owe CRE Service Charge | <u>£176,566.69</u> |
| | |
| Total owed by CREM | |
| Insurance | |
| Credit note insurance CIR adjustment 01/04/20 - 31/03/21 | (11,807.58) |
| Credit note insurance CIR adjustment 01/04/21 - 31/03/22 | (14,491.42) |
| | <u>(26,299.00)</u> |
| Inenco | 50,155.74 |
| Total CRE Service Charge owes CREM | <u>£23,856.74</u> |
| | |
| Net balance Landlord owes to CRE Service Charge | <u>£152,709.95</u> |

NB: The above position is believed by the Section 24 Manager to be correct at the year end date but does not imply acceptance by CREM

6b. Legal and professional fees

Legal fees in connection with the S24 management appointment has been applied to the Estate schedule. It is understood that Tribunal proceedings are still active on this issue.

7. Annual declaration

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