

See MY ATTACHED COMMENTS

STEEL SERVICES LIMITED
JEFFERSON HOUSE 11 BASIL STREET
LONDON SW3

SERVICE CHARGES
FOR THE YEAR ENDED 31 DECEMBER 2003

PRIDIE BREWSTER
CHARTERED ACCOUNTANTS

29/39 London Road
TWICKENHAM
Middlesex TW1 3SZ

5 November 2004

STEEL SERVICES LIMITED

JEFFERSON HOUSE 11 BASIL STREET LONDON SW3

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SERVICE CHARGES**FOR THE YEAR ENDED 31 DECEMBER 2003**

We have examined the attached summary of costs, outgoings and expenses for the year ended 31 December 2003 from the receipts, vouchers and other documentation provided to us by the Managing Agents.

There is no separate meter relating to the electricity charged for the common parts. Records relating to the payment of electricity charges for the block generally were kept throughout the year by the Managing Agents and we have accepted their calculations of the charges for the common parts and the caretaker's flat for the year.

The annexed Statement of the Contingency Fund shows the movements on the fund for the year ended 31 December 2003 and we can confirm that the balance of £131,124.68 (less an amount of £51,171.77 retained in current account to cover Service Charge expenditure pending receipt of Service Charge arrears from lessees) was held in a separate interest bearing account on that date.

The annexed Statement of the Major Works Fund shows the movements on the Fund for the year ended 31 December 2003 and we can confirm that the balance of £490,685.22 (together with a further amount of £12,576.03 representing the expenditure made out of the current account and to be reimbursed to that account at 31 December 2003) was held in three separate interest bearing accounts at that date.

Subject to the above, it is our opinion that the attached schedule of costs, expenses and outgoings is sufficiently supported by receipts and other documents and represents a fair summary of the said costs, expenses and outgoings and, when read in conjunction with the annexed summaries, shows how they are reflected in the Service Charge demands and specifies the amount payable by each lessee.

NOT SUPPLIED

29/39 London Road
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STEEL SERVICES LIMITED
JEFFERSON HOUSE 11 BASIL STREET LONDON SW3

SERVICE CHARGE EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2003

General Repairs and Maintenance	4,913.18
Lift Repairs and Maintenance	5,087.28
Boiler Repairs and Maintenance	3,944.20
Window Cleaning	2,016.00
Gas	6,851.35
Electricity	4,903.88
Insurances	8,237.69
Entryphone	1,662.79
Pest Control	2,566.62
Legal and Professional Fees	7,880.29
Agents' Fees	9,975.00
Accountants' Fees	995.00
Bank Charges	172.36
Sundry Expenses	247.45
Insurance Claims	1,485.64
Porter's Expenses:-	
- Wages and National Insurance	19,819.79
- Rent	4,850.00
- Telephone	830.66
- Sundry Expenses	1,557.90

27,058.35

£87,997.08

STEEL SERVICES LIMITED
JEFFERSON HOUSE 11 BASIL STREET LONDON SW3

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CONTINGENCY FUND

FOR THE YEAR ENDED 31 DECEMBER 2003

BALANCE AT 1 JANUARY 2003	139,539.26
Add:	
Contributions Received	14,791.00
Net Interest Received	1,952.59
Less Expenditure:	
Legal and Professional Fees	(25,158.17)
BALANCE AT 31 DECEMBER 2003	<u>£131,124.68</u>

MAJOR WORKS FUND

FOR THE YEAR ENDED 31 DECEMBER 2003

BALANCE AT 1 JANUARY 2003	268,435.03
Add:	
Contributions Received	222,389.57
Net Interest Received	1,388.12
Less Expenditure:	
Professional Fees	(1,527.50)
BALANCE AT 31 DECEMBER 2003	<u>£490,685.22</u>

MY LEASE

Clause 2(2)(e) Costs to be included in the service charges "...as the accountant may in his reasonable discretion consider it reasonable to include...by way...of costs expenses and outgoings already incurred or by way of provision for expected future costs expenses and outgoings..."

Clause 2(2)(f) "As soon as the accountant shall have determined the amount of the service charge payable by the lessee for the relevant financial year..."

...the accountant shall prepare a written statement containing a summary of the costs expenses and outgoings incurred by the lessor during the relevant financial year together with any future sums indicated by the accountant pursuant to Clause 2(2)(e).. and specifying the amount of the service charge payable by the lessee...

...and in the accountant's certificate, shall certify... that the sum specified as aforesaid represents the amount of the service charge payable by the lessee... "

HENCE: 10 MONTHS LATER, by October 2003, I SHOULD HAVE BEEN SUPPLIED WITH THE 2002 ACCOUNTS.

Note that, the [CRIMINAL VERMIN](#) had sent me a **TOTALLY UNSUPPORTED – because FRAUDULENT - 17.07.02 demand of £14,400** (US\$25,400), 'based' on the [15.07.02](#) demand for £736,200 (US\$1.3m) ([OVERVIEW # 1 to # 3](#) ; [MAJOR WORKS](#) ; [LONDON LVT # 4](#) ; [SALE OF APARTMENTS](#))

It was followed by a [07.02.02](#) letter from [Lanny Silverstone, Cawdery Kaye Fireman & Taylor \(CKFT\)](#) in which he threatened me with "**forfeiture**" (taking my leasehold apartment away from me) and "**contacting my mortgage lender**" if I did not pay immediately the £14,400 demanded.

My not giving in to the threat, led [Silverstone](#) to file a [29.11.02 claim](#) against me in [West London County Court](#), and 10 of my fellow leaseholders – representing a [total of 14 apartments](#). Silverstone did this IN SPITE of the fact that it was an abuse of process...to which the court *deliberately* turned a blind eye ([OVERVIEW # 3](#))

Triggered by my [19.10.03](#) Witness Statement ([19 Oct 30 Wit.Stat](#) page), [Rachman Andrew David Ladsky](#) made me a [21.10.03 'offer'](#) for £6,350 (US\$11,200) (v. the £14,400 demanded, including through proceedings) – which, legally, I did NOT either ([OVERVIEW # 2 and # 3](#))

Note also that the [2001 'accounts'](#) **BREACHED Clause 2(2)(f) of MY LEASE**: "As soon as the accountant shall have determined the amount of the service charge payable by the lessee for the relevant financial year...the accountant shall prepare a written statement containing a summary of the costs expenses and outgoings incurred by the lessor during the relevant financial year together with any future sums indicated by the accountant pursuant to Clause 2(2)(e).. ...and specifying the amount of the service charge payable by the lessee..."...

...as the [17.07.02](#) £14,400 demand, sent with the [15.07.02](#) letter, **was NOT in any way shape or form reflected in the 2001 year-end accounts** as they do NOT include "**costs the lessor shall expect to incur at any time after the end of the relevant financial year in respect of the said**

Fourth Schedule Expenditure...by way of provision for expected future costs expenses and outgoings...": [Clause 2\(2\)\(e\)](#)

(NB: The blatantly obvious breach of covenant by [Ladsky and his gang of racketeers](#) with their [17.02.02](#) demand - was FINALLY recognised by 'my advisor', [Lisa McLean, Piper Smith Basham\(Watton\)](#) in her [03.10.03](#) letter ([PSB # 7.9](#) , [Gallagher # 1.6](#)))

As an introduction to the next points: '**my advisors**', solicitors: [Richard Twyman and Lisa McLean, Piper Smith Basham\(Watton\)](#), and Counsel: [Stan Gallagher](#) – **BATTED FOR LADSKY** – see [my Comments attached to Gallagher's 13.11.03](#) 'draft notice and consent order'.

In my [07.11.03](#) letter of instructions to Richard Twyman, I demanded - in line with the covenant in [my Lease](#) (which is a legal contract) - to be supplied with the 2002 accounts for Jefferson House.

Endorsing the breach of this covenant, in his [12.11.03-17h09](#) email, [Gallagher](#) replied "**Similarly, adding conditions for the disclosure of the accounts can only complicate matters further and jeopardise the prospects of compromising the claim on realistic terms.**" ([Gallagher # 2 , # 2.1](#)) - as did [Piper Smith Basham](#) by aligning itself with this position ([PSB # 7.9](#)) (see [Malicious Communications Act 1988, ss 1 & 2A](#))

Note that, in his [13.11.03](#) 'Draft Notice of Acceptance', the **only** thing Gallagher wrote in relation to this breach of [my Lease](#) was: "**The absence of due compliance with the service charge certification provisions prescribed by the lease**".

Following my [05.04.04](#) complaint against him to the Bar Council (snapshot [OVERVIEW Notes 2 to 4](#)), under para.55 of his [09.06.04](#) reply, Gallagher wrote "**the more vaguely this argument is presented, the better**". My [29.08.04](#) response, under para.123 was: "**For whom?**" ([Gallagher # 2.1](#))

Under para.68 of my [25.03.05](#) reply to the Bar Council's decision of [27.01.05](#) to, 'of course', REJECT my complaint ([OVERVIEW Notes 2 to 4](#)), I highlighted my disbelief at Gallagher's endorsement of breach of covenants in my Lease, and of my statutory rights under the [Landlord & Tenant Act 1985 Section 21, as well as Section 25](#).

(As detailed below, like me, [Kensington & Chelsea Housing](#) viewed non-performance as a breach of my statutory rights, including amounting to committing a criminal offence: [K&C # 2](#))

By 2004 I STILL had NOT received the 2002 accounts

[Landlord and Tenant Act 1985, s.21\(4\)](#): "**The landlord shall comply with the request within one month of the request or within six months of the end of the period...**" (year-end for the accounts)

Over a period of **nearly 1 year**, [Joan Hathaway, MRICS, MRJ](#), continued to ignore repeatedly **my subsequent demands for a copy of the 2002 accounts**: my initial letter to her of [09.10.03](#), followed by my letters of: [19.12.03](#) (to [CKFT](#)); [19.05.04](#) ; [18.07.04](#) ([MRJ # 37](#)).

(NB: I reported this in my [02.02.05](#) complaint against [MRJ](#) to the [Royal Institution of Chartered Surveyors \(RICS\)](#), e.g. headers 5.10 and 5.13. 'Of course', in its [04.11.05](#) 'reply', the RICS [DISMISSED](#) ALL of my complaint – snapshot [OVERVIEW Note 5](#)). (Ditto re. my complaints against

the solicitors and 'my' barrister: [OVERVIEW Notes 2 to 4](#)). (And ditto re. my complaint against the accountants: [OVERVIEW Note 6](#))

It forced me to, in June 04, seek the assistance of [Kensington & Chelsea Housing](#) that sent [Hathaway](#) a [25.06.04 s.21 Landlord and Tenant Act 1985 Notice](#), stating: "**Section 25 makes it a summary criminal offence to fail to comply with the requirements of Section 21 or Section 22 without reasonable excuse**". ([K&C # 1 , # 2](#))

Failure to implement its threat, led me into a long, drawn-out battle with the [housing department](#), followed by a battle with its so-called 'regulator', the [Local Government Ombudsman](#) – from which – in 2005 (letter of [09.02.05](#)) (*) - I FINALLY – and ONLY received a DELIBERATELY incomplete copy of 'the accounts' - as the section on the contributions paid by the leaseholders was WITHHELD: [LGO # 7](#)

REASON: because **FRAUD HAD BEEN TAKING PLACE:** [29.08.06 ICAEW's](#) letter. (Hence, also the reason for 'my advisors' excuses for my not getting the accounts)

(*) Note that [Barrie Martin, FRICS](#), had sent a copy of the [2002](#) and [2003](#) 'accounts' 3 MONTHS PREVIOUSLY to [Kensington council](#) (e.g. [16.12.04](#) letter to me from Jean Daintith, Executive Director, [Kensington & Chelsea housing](#) – which sadistically, FALSELY claimed, in the last paragraph: "*the recent provision to you of the accounts*"). **REASON FOR THE DELAY?** The sadistic mafia, comprising of [council](#) and [Local Government Ombudsman](#) that had colluded with [the Ladsky mafia](#), had decided to 'punish me' for 'daring' to stand up to them.

'Of course', both, [Barrie Martin, FRICS](#), and [Joan Hathaway, MRICS, MRJ](#), THEN LIED - by claiming they had supplied me with 'the accounts': [19.07.04](#) and [16.03.05](#) letters.

The [2003](#) and [2004](#) 'accounts' 'reflect' the FRAUD

I replied to [Hathaway's](#) letter of [16.03.05](#), by letter of [30.03.05](#), in which I discussed, in considerable detail, the obvious FRAUDULENT 2003 'accounts'.

From my copying him (and many others) on my [30.03.05](#) letter to [Hathaway](#), in his [15.04.05](#) reply to me, the accountant, [Roger Clement, Pridie Brewster](#), said to be "*unaware of the Leasehold Valuation Tribunal determination of 17 June 2003*" - that reduced the [£736,200](#) (US\$1.3m) [15.07.02](#) demand by [£500,000](#), or nearly 70% (incl. the contingency fund) ([LVT # 4](#))

From there followed another, long, drawn-out battle, this time with the [Institute of Chartered Accountants in England and Wales](#) ([OVERVIEW Note 6](#)) – leading, more than 1 year later, to a REJECTION of my [19.07.05](#) complaint, in the [29.08.06](#) letter.

As can be seen in the [29.08.06](#) letter, the [ICAEW](#) FALSELY "*denies that the 2003 accounts need to be restated*". Among other (as I wrote in my [30.03.05](#) letter to [Hathaway](#)):

- they do NOT reflect the LVT findings;
- the contingency fund was NOT taken into consideration for my fellow leaseholders - unlike in my case: [21.10.03](#) 'offer' - because I had kept a [07.06.01](#) letter from MRJ, to "All Lessees", stating that it WOULD BE used - and raised it in my letters to 'my advisors' [Lisa](#)

[McLean / Richard Twyman](#) e.g. [09.09.03](#) ; [21.09.03](#) ; [07.11.03](#), as well as para.26 of my [19.10.03 Wit.Stat.](#)

Note that under para.63 of its [17.06.03](#) report, the [London LVT](#) wrote: *The wording of the clause relating to the contingency or reserve fund in the lease is unambiguous. It refers to costs expenses and outgoings "not being of an annual recurring nature", and as such surely envisages the type of works proposed at the subject property. Although the tribunal has no power to order the Applicant to make payments from the contingency fund, the Tribunal considers it inequitable that this fund should not be used in part to fund the works, and cannot accept Mr Warwick's contention that to divest or reduce the contingency fund would be "wrong"*

How did the [ICAEW](#) attempt to get out of that one in its [29.08.06](#) letter? By stating: "What is crucial in the decision is that the LVT stated that tenants could willingly contribute towards the extra costs should they wish to do so" **UNBELIEVABLE!**

As I captured under [Pridie Brewster # 18](#): **IF THE LEASEHOLDERS WERE THAT "WILLING": HOW COME THEY ENDED-UP HAVING THE [29.11.02](#) CLAIM AND PARTICULARS FILED AGAINST THEM?** How do you answer that one [Pridie Brewster and ICAEW?](#)

(NB: To my [30.03.05](#) letter, I could have added the statement in [Joan Hathaway's](#) letter of [21.12.01](#), to the leaseholders: "*We have to state that the sum quoted may be exceeded due to disbursements but these will be of a minor nature. Sufficient funds are held to cover the cost of the works within the Reserve Fund*")

The [ICAEW's](#) [29.08.06](#) letter makes only a passing reference to the '[2004 accounts](#)', and goes on to state that "*the 2005 accounts will be key*" – followed by a list of questions it expected 'ME' to address - thereby amounting to putting the onus on 'ME' to do the job of the accountant!

ABSOLUTELY UNBELIEVABLE! It proves that the "chartered accountant" only does typesetting – without questioning anything (as I wrote in my [01.09.05](#) letter to the [ICAEW](#))

Re. [the '2004 accounts'](#), [Martin Russell Jones](#) sent me a copy with a covering letter dated [09.01.06](#) i.e. 2 YEARS after the year-end! Obviously, **no action had been taken.**

OF NOTE: Because it was now 'safe' to do so – as the majority of the leaseholders had been made to pay the FULL AMOUNT demanded following the [15.07.02](#) demand (my analysis attached to the [29.08.06](#) letter from the [ICAEW](#)) - unlike the '[2002 accounts](#)' and '[2003 accounts](#)' - the '[2004 accounts](#)' included a breakdown of 'service charges' by apartment. It was years since I had seen such a document.

A MAJOR POINT: Because the tribunal's findings 'did not suit' '[Dear Mr Ladsky](#)' who 'needed' the money to make [his multi-million £ jackpot](#), the tribunal's findings were **TOTALLY IGNORED.**

Instead, a NEW contractor, [Mansell](#), was appointed ([02.08.04](#) letter from [Barrie Martin, FRICS, MRJ](#)) WITHOUT going through the legally required consultation procedures. It means that **THE MAXIMUM that could be demanded of EACH apartment was £250 (US\$444) = a TOTAL OF £8,750 (US\$15,429) v. the £500,000+ (US\$882,000) that was PAID - and KEPT (OVERVIEW # 5)**

As [the criminal mafia – LED by Andrew Ladsky](#), KNOWS it does NOT have to fear sanction from its so-called ‘regulators’, or from ANYWHERE ELSE in the British State – including, ‘of course’, [Her Majesty’s police that prefers to criminalize the victims of the criminals – instead of the criminals](#) – it has, ‘of course’ continued to send me FRAUDULENT upon FRAUDULENT demands – see [Martyn Gerrard](#), the successor in the [Ladsky’s stable of racketeers](#), to [Martin Russell Jones](#).

Consider also that these demands CONTINUE to be made, in the context of the fact that, in breach of [Clause 2\(2\)\(g\)\(i\) of my Lease](#) - **I have NOT been provided with accounts for Jefferson House since 2004.**

(NB: I had stated this under **paras 223 and 224** of my [03.06.08 Witness Statement](#) in relation to the [27.02.07 claim](#) filed against me, again in [West London Court County](#), by [Jeremy Hershkorn, Portner and Jaskel](#). The [Particulars](#) covered demands to year-end 2006 (version I produced due to the deliberate mess of the Particulars) (I sent this version to Portner with my [22.05.07](#) letter). This claim is covered under [OVERVIEW # 11](#).

The claim was preceded by [Jeremy Hershkorn](#)’s [16.02.07](#) threat of “*bankruptcy*”, as well as “*forfeiture*” of my leasehold apartment, if I failed to pay immediately £8,937 (US\$15,800) – to a company I had NEVER heard of (my reply of [25.02.07](#)) ([OVERVIEW # 10](#)). After an extremely traumatic 16-month battle, it resulted in a [06.06.08](#) Notice of Discontinuance of “*ALL the claims*” against me ([OVERVIEW # 11](#)))

Given that THE ‘ACCOUNTS’ that are produced are WORKS OF FICTION ([Pridie Brewster](#); my [04.10.11](#) response to the Greater London Authority’s survey on service charges, and [my analysis](#) – [My Diary 6 Oct 11](#)) - it could be argued that it makes little difference.

Further, as I also reported in my [03.06.08 Wit.Stat](#), under header 5, (from para.39): “**I do not know who controls my home.**” This is STILL the case – see [Martyn Gerrard](#).

(It also means that **I do not even know whether my apartment is insured** – as, aside from insuring its contents, fixtures and fittings, I cannot, clearly insure anything else, as it is part of a block).