16 June 2022

Dear

**The Parks – Year Ending 30th June 2021**

We write in relation to the above-mentioned development of which your property forms part.

In accordance with the Landlord and Tenant Act 1985, we enclose for your records a Section 20b Notice, a statement for the Service Charge Expenditure for the Year-Ending 30th June 2021.

***What is a Section 20b Notice?***

* A Section 20b Notice is a document sent to all Lessees when the Service Charge accounts are **not** available within the 6 months deadline of the Year-End date.
* It is a list of expense headings showing the estimated costs incurred by the development.
* This document is based upon **actual**\* expenditure and therefore, will provide a more realistic view of the total costs incurred against the anticipated expenditure issued at the beginning of the year. Please note that any Reserve Funds held are not included within the total budget column. (\*This figure may alter following certification by the Accountant.)
* The Section 20b notice covers any deficit, provided it is issued within 18 months. This is referred to as “the 18-month rule”.
* The 18-month Rule applies from the date of the first item of expenditure exceeded the budget, **NOT** from the start date of the accounts.

***For example***: *If your Year-end date is 1st January to 31st December and an invoice exceeded the budget on 8th August, then the 8th August is the first day NOT 1st January; provided that the Section 20b Notice is issued within 18 months of the 8th August then the deficit is fully recoverable.*

***Please note this is not a request for payment, this is for information only***. Should a deficit occur once the accounts are completed then a balancing charge will be demanded for your portion and payment requested under separate cover. You will also receive a copy of the fully certified service charge accounts for the Year-End at this time.

Yours Sincerely,

**Accounts Department | Red Rock Estate & Property Management Ltd**

T: 0333 123 5670 | W: [www.rrpm.co.uk](http://www.rrpm.co.uk)

For and on behalf of The Parks (Ilford) Management Company Limited