



London Yard Debtors' Process

This document outlines the policy in place in London Yard for managing the invoicing and collection of service charges, reserve funds and ground rent. It applies to all shareholders of London Yard Management Company.

Your lease/freehold document is very clear on shareholders' obligations around the payment of invoices. This document explains how invoicing the process works in a practical sense and is in accordance with the legal obligations set down in those documents. In particular the document explains how non-payment of invoices is handled; it is important that the policy on this is clear and ensures that shareholders are treated in a consistent manner in order that all are treated fairly and that no shareholder benefits at the expense of another.

Responsibilities

The Board of London Yard Management Company has a duty to ensure that sufficient funds are available to cover the estate's running and maintenance costs. It is therefore responsible for setting the annual budget and agreeing the future plan of major works required. The Board also has a duty to protect cash flow by ensuring that a robust credit-management process is in place.

The managing agents (currently Parc Properties Management Ltd) on behalf of the Board is responsible for raising invoices and collecting funds. Individual lessees have an obligation to pay invoices on or before the due date; this obligation is outlined in your lease.

Quarterly Invoices

Invoices for service charges, reserve funds and ground rent will be raised on a quarterly basis as stated in your lease/freehold document. The invoiced amounts for service charges and reserve funds are based on the budget agreed by the Board of London Yard Management Company multiplied by the percentages shown in individual lease and freehold documents.

Budget for service charges and reserve funds

The budget for service charges and reserve funds is set annually by the Board of London Yard Management Company Ltd in conjunction with the managing agents. Once the budget is set it will be used for invoice purposes.

Payments

Quarterly invoices are due on the quarter days i.e. 25 March, 24 June, 29 September and 25 December. Invoices will normally be sent out 21 days prior to these dates.

The management company is responsible for collecting all payments and will notify shareholders how payments should be made. Currently Parc Properties Management Ltd requires payment by bank transfer or cheque. Note Direct Debits cannot be raised, however shareholders can set up Quarterly Standing Orders once the budget is set if they so wish. Also note payments must be made Quarterly not Monthly.

If invoices remain unpaid after the due date a reminder will be sent out by the management company at 14 days. Interest will be chargeable on all debt remaining unpaid and this will be credited to relevant block or estate accounts. In addition the managing agent will add an admin fee (currently £25 plus VAT) which reflects the cost of chasing the debt. This separate fee is levied because debt collection is not part of the managing agent contract as that would be inequitable to all shareholders who regularly pay their service charge demand on time. A legal reminder will be sent out 7 days after the first reminder. If the demand remains unpaid, legal proceedings will be instructed 7 days after that.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Invoices raised by	04-Mar	03-Jun	08-Sep	04-Dec
Invoices due	25-Mar	24-Jun	29-Sep	25-Dec
Reminder 1 + admin fee & interest	08-Apr	08-Jul	13-Oct	08-Jan
Legal reminder + admin fee & interest	15-Apr	15-Jul	20-Oct	15-Jan
Legal proceedings commence	22-Apr	22-Jul	27-Oct	22-Jan

Disputes

Shareholders may dispute invoices they think are incorrect provided:

- The dispute relates purely to the calculation on the invoice and not to the budget itself. Once the budget is set shareholders have an obligation to pay the amounts laid down in the budget.
- Made before the invoice's due date.
- Made in writing to the managing agent.

Note if disputes are made following the invoice due date and the managing agent has sent out a reminder the admin fee will be payable even if the dispute is later deemed to be correct.

The management company has a duty to ensure all disputes (whether correctly made or not) are responded to within a reasonable time frame.

Hardship

If a shareholder finds themselves in unexpected hardship and is unable to pay their invoice they should apply to the Board for an extension. Applications must be made before the invoice due date. The Board will consider the request and may, in exceptional circumstances, allow a payment plan to be put in place. Consideration will be given to the individual's payment history.

If an application is made after the invoice due date interest and admin fee may be charged in addition to the original amount. Legal action will immediately be taken if any scheduled payments agreed on the payment plan are missed.

Version control

Draft version 1	Jane Miller	1/3/2010
Draft version 2	Jane Miller	8/5/2010 – incorporating comments from Board members.
Draft Version 3	Jane Miller	21/5/2010 – Revision
Draft Version 4	Jane Miller	14/4/11 – Minor changes based on comments from version 3
Version 5	Jane Miller	Comments from Mark Ferris
Version 6	Jane Miller	Comments from France McKeith
Version 7	Frances McKeith	Revision by Ujas Patel