s

125 Hinckley Road

Leicester

LE3 0TF

Service Charge Expenditure Report

25th March 2024 to 24th March 2025

Property Consultants

JOHNSON FELLOWS

Contents

Appendices

Introduction

Historically, Tesco have maintained the communal areas at Hinckley Road. As all of the tenants benefit from the use of the communal areas and are liable to contribute towards their upkeep under the terms of their leases a service charge has been introduced in order that all of the tenants contribute towards the communal costs.

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Limited. The report is intended to provide details of the expenditure incurred for the service charge year ending 24th March 2025.

The Property

The property consists of a parade of 4 retail units and block of flats. It is located within 1 mile of Leicester city centre and has access off A563 Hinckley Road roundabouts. The site benefits from a front car parking facility, landscaped area and rear service yard which are maintained directly by the service charge.

Voids and Concessions

The service charge for any void lettable units or attributable to any service charge concessions is the responsibility of the Landlord.

VAT

The Landlord has elected the property for VAT.

The service charge payable by the commercial lessees will have VAT charged at the standard rate.

Banking

Due to the general level of service charge funds, they are not maintained within a discrete bank account. The funds are held within the Johnson Fellows Clients Account which is maintained with Barclays Bank plc. As a consequence, the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Interest charged on late payment of service charge by tenants is to be credited to the service charge.

There is no sinking fund or reserve fund.

Service Charge Objectives

The service charge expenditure report is aimed at providing a clear explanation of the expenditure incurred and is to promote clarity and transparency. Should any occupier have comments on the format or the information contained in this report that would assist with the report being improved for the benefit of all concerned, these comments would be welcome. We would also welcome constructive feedback on the communal services provided at the property.

JOHNSON FELLOWS

Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Mobile: 07540 732602
Email: robert.scott@johnsonfellows.co.uk

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Angela Lindop
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Email: angela.lindop@johnsonfellows.co.uk

Angela Lindop is responsible for the overall management of the property.

Service Charge Accountant:

Paul Evans
Client Accounts
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0405
Email: paul.evans@johnsonfellows.co.uk

Paul Evans is the client accountant responsible for this property.

Service Charge Apportionment

The service charge provisions are set out in each tenant's lease. These consistently provide for each tenant to pay a due proportion of the service charge which is attributable to each tenant's premises. The due proportion is based primarily on the net internal area of each property relative to the total net internal area of all units. If such apportionment is inappropriate, the Landlord has reasonable discretion to adopt such other due proportion as is fair and reasonable. This may include attributing the whole expenditure to a particular unit.

The net internal areas for the commercial units have been obtained from the 2010 ratings list on the VOA website, and the area for the house has been provided by Tesco.

The costs included within the budget for Schedule 1 relate to the repair and maintenance of the communal areas. The communal areas are defined as the car park located at the front of the parade on Hinckley Road, and a strip of land located at the rear of the parade on Stretton Road. All tenants contribute towards Schedule 1.

Schedule 2 relates to any Building repairs required to units 1 & 2, and only the leaseholders of units 1 & 2 contribute towards these costs.

The service charge percentage apportionments are detailed in Appendix A.

Expenditure Commentary

SCHEDULE 1 – All Tenants

All figures are shown net of VAT

- **Management Fee** **£7,668**

This figure represents the cost incurred for the management of the property and administration of the service charge, including periodic inspection. This is a fixed fee subject to annual increase in line with RPI. This cost was in line with budget.

- **Audit Fee** **£250**

The actual cost of independent audit of the service charge accounts. This cost was under budget due to a credit from previous service charge year.

- **Facilities Management** **£1,424.**

The cost for the Facilities Manager to organise and supervise the service charge contracts and maintenance works. This is a fixed fee subject to annual increase in line with RPI. The actual expenditure was in line with the budget.

- **Health and Safety** **£0**

There was no expenditure incurred under this cost heading during this service charge year.

- **External Cleaning** **£0**

There was no expenditure incurred under this cost heading during the service charge year.
.

- **Landscaping - External** **£1,922.59**

During the service charge year 10 metres of bushes were cut back to reduce their height at the rear, and additional bush to the front also removed. As part of the landscaping cut back of vegetation the same contractor also removed various items of bulky waste, including doors, mattresses, old signage and waste. Weeding was carried out in front of the flats and car park area. This cost was over budget due to the level of works required.

- **Snow Clearance & Gritting** **£1,767**

The actual cost of the reactive gritting contract for the car park and pathways during bad weather periods. Actual expenditure was over budget due the number of cold weather events that triggered gritting.

- **Drain Maintenance** **£600**

The actual expenditure incurred for the annual planned and preventative maintenance to drainage at the front and the rear of the building. There were no reactive call outs to blockages in this service charge year. Overall, the actual expenditure under this cost heading was under budget.

- **Car Park Maintenance** **£250**

A budgeted cost heading for any ad hoc repairs to the car park. Adhoc deep clean and general repairs were carried out to the car park area. Actual expenditure was under budget in this service charge year.

. **Boundary Maintenance** **£550**

This is a budgeted cost heading for reactive repairs to the walls or boundary area, with a contingency for graffiti removal. Works were required to repair a damaged section of the brick boundary wall. Actual expenditure was under budget for the service charge year.

Total

Schedule 1 **£14,431.59**

SCHEDULE 2 – Units 1 & 2 Leaseholders

All figures are shown net of VAT

- **Building Repair** **£420**

The actual cost of clearing roof gutters and downpipes and build-up of moss to the building. The actual expenditure remained under budget for the service charge year.

Total

Schedule 2 **£420**

Total Schedule 1 £14,431.59
Total Schedule 2 £420

Total £14,851.59

Appendix A

Leicester:125 Hinckley Road S/C (01687)				
Service Charge Unit Percentages				
Recovery Group = sc				
Reconciliation Period = 25/03/2024-24/03/2025				
*Amounts in gbp				
Unit	**Tenant**	**Days**	**Schedule 1**	**Schedule 2**
0001	**Charles Michael Collins**	365.00	5.4000	51.1000
0002	**Mr Robert Shenton**	365.00	5.2000	48.9000
0003	**Tesco Stores Ltd**	365.00	28.0000	0.0000
0004	**Foxglove Leicester Ltd**	365.00	61.4000	0.0000
	Total		**100.0000**	**100.0000**

Appendix B

Leicester:125 Hinckley Road S/C (01687)					
Service Charge Budget Comparison					
Recovery Group = sc					
Reconciliation Period = 25/03/2024-24/03/2025					
*Amounts in gbp					
Code	**Description**	**Actual (03/2025)**	**Budget (03/2025)**	**Variance**	**%**
1	**Schedule 1**				
5100-0101	Management Fee	7,668.00	7,668.00	0.00	0.0000
5100-0203	S/C Audit Fees	250.00	250.00	0.00	0.0000
5100-0309	Facilities Manager	1,424.00	1,424.00	0.00	0.0000
5100-0402	Health & Safety	0.00	750.00	-750.00	-100.0000
5300-1002	External Cleaning	0.00	1,500.00	-1,500.00	-100.0000
5300-1009	External Landscaping	1,922.59	1,500.00	422.59	28.1727
5300-1010	Snow clearance / Gritting	1,767.00	1,100.00	667.00	60.6364
5300-1016	Drainage	600.00	1,200.00	-600.00	-50.0000
5400-1505	Car Park Maintenance	250.00	1,000.00	-750.00	-75.0000
5400-1525	Boundary Maintenance	550.00	1,500.00	-950.00	-63.3333
	Schedule Total	**14,431.59**	**17,892.00**	**-3,460.41**	**-19.3405**
2	**Schedule 2**				
5400-1530	Building Repair	420.00	500.00	-80.00	-16.0000
	Schedule Total	**420.00**	**500.00**	**-80.00**	**-16.0000**
	Total	**14,851.59**	**18,392.00**	**-3,540.41**	**-19.2497**

TESCO STORES LIMITED

125 HINCKLEY ROAD
LEICESTER

SERVICE COSTS STATEMENT

INDEPENDENT REVIEW

YEAR ENDED 24TH MARCH 2025

125 Hinckley Road
Leicester
Certificate of Service Costs for the year ended 24th March 2025

	2025	2024
Schedule 1		
Drain maintenance	600.00	600.00
Landscape - external	1,922.59	1,375.30
Cleaning - external	-	875.00
Gritting	1,767.00	1,072.89
Car park maintenance	250.00	260.00
Boundary maintenance	550.00	2,650.00
Health & safety	-	650.00
Audit fees	250.00	250.00
Management fees	7,668.00	7,309.00
Facilities management	1,424.00	1,357.00
	14,431.59	16,399.19
Schedule 2		
Building repair	420.00	192.00
	420.00	192.00
Total expenditure	**14,851.59**	**16,591.19**

No reserve fund is held for this property.

125 Hinckley Road
Leicester
Certificate of Service Costs for the year ended 24th March 2025

Independent Accountant's Review Report

To the Manager, 125 Hinckley Road

We have reviewed the statement of service charge expenditure for the above property for the year ended 24 March 2025. The statement of service charge expenditure has been prepared by the Manager in accordance with guidance issued by the RICS in the Code of Practice, Services Charges in Commercial Property, 1st edition.

Manager's Responsibility for the Statement of service charge expenditure
The Manager is responsible for the preparation of the statement of service charge expenditure and for such internal control as the Manager determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility
Our responsibility is to express a conclusion on the statement of service charge expenditure based on the procedures we have performed and the evidence we have obtained. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the statement of service charge expenditure, taken as a whole, is not prepared in all material respects in accordance with the provisions of the Code of practice '*Service charges in commercial property*' issued by the RICS. ISRE 4000 (Revised) also requires us to comply with relevant ethical requirements.

A review of a statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and others responsible for the services that comprise the service charge on this property, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures do not include review of the allocation or apportionment of service charge expenditure to occupiers.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the statement of service charge expenditure.

Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the statement of service charge expenditure is not prepared, in all material respects, in accordance with the provisions of the Code of Practice 'Service charges in commercial property' issued by the RICS.

Basis of Accounting, and Restriction on Distribution and Use
Our report is made in accordance with the terms of our engagement and is intended solely for the Manager to issue to current occupiers. This report should not be distributed to or used by other parties. Our work has been undertaken to enable us to make this report to the Manager and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Manager in connection with the report or this engagement.

TC Group
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF