



JOHNSON FELLOWS
CHARTERED SURVEYORS

125 Hinckley Road

Leicester

LE3 0TF

Service Charge Expenditure Report

25th March 2014 to 24th March 2015

Johnsonfellows.co.uk



Contents

Introduction

The Property

Voids and Concessions

VAT

Banking

Service Charge Objectives

Management Team

Service Charge Apportionment

Expenditure Commentary

Appendices

- A. Service Charge Apportionment Schedule
- B. Service Charge Variance Schedule
- C. Service Charge Expenditure Certificate

Johnson Fellows. Charter House, Newhall Street, Birmingham, B3 1SW





Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Limited. It is intended to provide details of the expenditure incurred during the service charge year ending 24th March 2015.

The Property

The premises consists of a parade of 4 retail units and one void unit. It is located within 1 mile of Leicester city centre and has access off A563 Hinckley Road roundabout. 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

Presently there is one void unit at this site. The responsibility for the service charge for the void unit rests with the Landlord.

VAT

The Landlord has elected the property for VAT; consequently the expenditure is stated net of VAT.

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.

Service Charge Objectives

It is the objective of Johnson Fellows to issue the service charge budget at least one month prior to the start of the service charge year with service charge year end accounts being completed within four months of the year end.

The object of this report is to provide a clear and detailed explanation of all expenditure incurred at the Centre during the service charge year. We endeavour to promote clarity and transparency and to be accountable to all of the tenants.

Should any occupier have comments on the format or the information contained in this report which would assist in 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.

As Managing Agents, Johnson Fellows aim to provide a high quality management service in order to provide a well maintained environment, and delivering value for money for the service charge expenditure.



The service charge is administered having regard to the Service Charges in Commercial Property 3rd Edition; RICS Code of Practice.

The service charge year end accounts and this report have been prepared having regard to the RICS Practice Standards; Service Charges in Commercial Property, Code of Practice.



Management Team

Facilities Manager:

Chris Monteith

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0409

Mobile: 07786 072 755

Email: chris.monteith@johnsonfellows.co.uk

Chris Monteith is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Jeremy Williams

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0454

Mobile: 07884 352 576

Email: jeremy.williams@johnsonfellows.co.uk

Jeremy Williams is responsible for the overall management of the property.

Service Charge Accountant:

Rebecca Glover

Client Accounts

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0405

Email: rebecca.glover@johnsonfellows.co.uk

Rebecca Glover is the client accountant responsible for this property.



Service Charge Apportionment

The service charge provisions are set out in each tenants lease. These consistently provide for each tenant to pay a due proportion of the service charge which is attributable to each tenants 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.

Schedule 3 has been introduced for this year and relates to items of expenditure which are non-recoverable through the lease granted on the warehouse. Tesco agree to cover the proportion of expenditure attributable to the warehouse premises. The percentage shown for the supermarket and warehouse in the percentage apportionment schedule is based on the overall combined floor areas of both premises. The other percentages in the schedule have not been adjusted and remain unaffected.

A service charge apportionment schedule is attached at Appendix A.



Expenditure Commentary

SCHEDULE 1

All figures are shown net of VAT.

- **Cleaning** **£468.80**

Cost of cleaning to the common areas provided through Tesco Maintenance Services.

- **Boundary Maintenance** **£3,900**

Various repair works including brickwork repairs and wall rendering to the retaining car park walls were undertaken.

The expenditure incurred this year was in line with the budget.

- **Car Park Maintenance** **£1,150**

Some repairs were made to the car park this year including tarmac repairs and drain cleaning.

The expenditure incurred this year was in line with the budget.

- **Drain Maintenance** **£800**

The expenditure incurred was as a result of having the drains jetted out in the car park. The expenditure was in line with the budget.

Total

Schedule 1 **£6,318.80**

SCHEDULE 2

There was no expenditure in this schedule during the service charge year.



SCHEDULE 3

All figures are shown net of VAT.

- **Landscaping** **£350**

This was the cost of a one off tidy up of the site carried out in January 2015 by Bennett Landscapes & Maintenance Ltd.

- **Audit Fee** **£250**

This figure represents the fee for the annual service charge accounts to be certified by an independent accountant in order to promote transparency and verify accuracy.

The expenditure is the same as the budget.

- **Management Fees** **£5,125**

The management fee that Johnson Fellows charge reflects the level of management required at the property.

The expenditure is the same as the budget.

Total

Schedule 3 **£5,725**

The service charge variance schedule is detailed in Appendix B.

.....
Management Surveyor

.....
Partner

.....
Dated 29th July 2015

.....
Dated 29th July 2015



Appendix A

125 Hinckley Road, Leicester LE3 0TF

Service Charge Apportionment Schedule

25th March 2014 to 24th March 2015

Unit	Schedule	Area (sq m)	Percentage
Unit 1	1	77.44	5.4%
Unit 2	1	74.18	5.2%
Warehouse	1	624.65	43.6%
House	1	255.48	17.8%
Supermarket	1	400.61	28.0%
1 Total		1432.36	100.0%
Unit 1	2	77.44	51.1%
Unit 2	2	74.18	48.9%
2 Total		151.62	100.0%
Unit 1	3	77.44	5.4%
Unit 2	3	74.18	5.2%
House	3	255.48	17.8%
Supermarket	3	1025.26	71.6%
3 Total		1432.36	100.0%



Appendix B

125 Hinckley Road, Leicester LE3 0TF

Service Charge Variance Schedule

25th March 2014 to 24th March 2015

The property is VAT registered. All figures shown net of VAT.

Service Charge Item	Schedule	Actual 2013/2014	Budget 2014/2015	Actual 2014/2015	Actual v Budget Variance %	Actual v Budget Variance £
Cleaning	1	£ 800.00	£ 800.00	£ 468.80	-41%	-£ 331.20
Boundary Maintenance	1	£ 1,000.00	£ 4,300.00	£ 3,900.00	-9%	-£ 400.00
Car Park Maintenance	1	£ 1,500.00	£ 2,000.00	£ 1,150.00	-43%	-£ 850.00
Drain Maintenance	1	£ 500.00	£ 500.00	£ 800.00	60%	£ 300.00
1 Total		£ 3,800.00	£ 7,600.00	£ 6,318.80	-17%	-£ 1,281.20
Building Repairs	2	£ -	£ 300.00	£ -	-100%	-£ 300.00
Signage	2	£ -	£ 200.00	£ -	-100%	-£ 200.00
2 Total		£ -	£ 500.00	£ -	-100%	-£ 500.00
Landscaping	3	£ -	£ 500.00	£ 350.00	-30%	-£ 150.00
Audit Fee	3	£ 250.00	£ 250.00	£ 250.00	0%	£ -
Management Fees	3	£ 5,000.06	£ 5,125.00	£ 5,125.00	0%	£ -
3 Total		£ 5,250.06	£ 5,875.00	£ 5,725.00	-3%	-£ 150.00
Grand Total		£ 9,050.06	£ 13,975.00	£ 12,043.80	-14%	-£ 1,931.20



Appendix C

TESCO STORES LIMITED

**125 HINCKLEY ROAD
LEICESTER**

SERVICE COSTS AUDIT STATEMENT

YEAR ENDED 24TH MARCH 2015





**125 Hinckley Road
Leicester
Certificate of Service Costs for the year ended 24th March 2015**

	2015	2014
Schedule 1		
Cleaning	468.80	800.00
Boundary maintenance	3,900.00	1,000.00
Car park maintenance	1,150.00	1,500.00
Drain maintenance	800.00	500.00
	<u>6,318.80</u>	<u>3,800.00</u>
Schedule 3		
Landscape	350.00	0.00
Audit fees	250.00	250.00
Management fees	5,125.00	5,000.06
	<u>5,725.00</u>	<u>5,250.06</u>
Total expenditure	<u><u>12,043.80</u></u>	<u><u>9,050.06</u></u>

No reserve fund is held for this property

In our opinion the above is a fair summary of the costs incurred by or on behalf of Tesco Stores Limited in connection with the matters for which the service charge is payable and is sufficiently supported by accounts, receipts and other documents which have been produced to us.

Haines Watts
Haines Watts Chartered Accountants