

Service Charge Expenditure Report

Service Charge Year

25th March 2013 to
24th March 2014

For

125 Hinckley Road
Leicester

Prepared by Johnson Fellows LLP
Charter House
163 Newhall Street
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on behalf of
Tesco Stores Limited



Contents		Page
1.	Introduction	3
2	Voids	3
3.	VAT	3
4.	Service Charge Banking	3
5.	Service Charge Objective	3
6.	Management Team	4
7.	Service Charge Apportionment	5
8.	Expenditure Breakdown	6

Appendices

- A.** Service Charge Percentage Apportionments
- B.** Service Charge Variance Report



1. 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 2014.

2. Voids

Presently there is one void unit Hinckley Road. The responsibility for the service charge for the void unit rests with the Landlord.

3. VAT

The Landlord has elected the property for VAT, consequently the expenditure detailed within this report is net of VAT.

4. Service Charge Banking

Due to the general level of service charge funds, they are not maintained within a discreet bank account. The funds are held within the Johnson Fellows Clients Account which is maintained with Barclays Bank plc, sort code: 20-46-06, account number: 50527866. As a consequence the service charge is not credited with any interest, neither are any bank charges allocated to the service charge. We currently do not operate a reserve fund.

5. 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.



6. Management Team

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7. 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 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.

The service charge percentage apportionments are detailed in Appendix A.



8. Expenditure Summary

All figures are shown as NET.

Schedule 1

Cleaning

2013/2014 Expenditure £ 800.00

An accrual has been made as we have yet to receive the invoices via Tesco.

Boundary Maintenance

2013/2014 Expenditure £ 1,000.00

Various repair works including re-pointing brickwork to the retaining car park walls were undertaken and the jet washing of the car park area.

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

Car Park Maintenance

2013/2014 Expenditure £ 1,500.00

Some repairs were made to the car park this year including re-painting the white lines and removing graffiti.

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

Drain Maintenance

2013/2014 Expenditure £ 500.00

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.

Landscaping

2013/2014 Expenditure £ 0.00

No landscaping was undertaken this year.

Schedule 1 Total

2013/2014 Expenditure £ 3,800.00



Schedule 3

Audit Fee

2013/2014 Expenditure £ 250.00

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

The expenditure is the same as the budget.

Management Fees

2013/2014 Expenditure £ 5,000.06

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

The expenditure is the same as the budget.

Schedule 3 Total

2013/2014 Expenditure £ 5,250.06

Grand Total

2013/2014 Expenditure £ 9,050.06

The service charge variance report is detailed in Appendix B.



Appendix A

125 HINCKLEY ROAD LEICESTER

Service Charge Apportionment Percentages

25 March 2013 to 24 March 2014

Schedule 1

Unit	Floor Area (m ²)	Apportionment
Warehouse 125 Hinckley Rd	624.65	43.6 %
Unit 1, 125 Hinckley Road	77.44	5.4 %
Unit 2, 125 Hinckley Road	74.18	5.2 %
Supermarket	400.61	28.0 %
House	255.48	17.8 %
Total	1,432.36	100.0 %

Schedule 2

Unit	Floor Area (m ²)	Apportionment
Unit 1, 125 Hinckley Road	77.44	51.1 %
Unit 2, 125 Hinckley Road	74.18	48.9 %
Total	151.62	100.0 %



Appendix B

125 HINCKLEY ROAD LEICESTER

Service Charge Budget Variation Report

25 March 2013 to 24 March 2014

Schedule 1

Service Charge Item	Budget 2013/14	Expenditure 2013/14	Variation %
Cleaning	£ 800	£ 800	0.00
Boundary Maintenance	£ 1,000	£ 1,000	0.00
Car Park Maintenance	£ 1,500	£ 1,500	0.00
Drain Maintenance	£ 500	£ 500	0.00
Landscaping	£ 1,000	£ -	-100.00
Total Schedule 1	£ 4,800	£ 3,800	-21.00

Schedule 3

Service Charge Item	Budget 2013/14	Expenditure 2013/14	Variation %
Audit Fee	£ 250	£ 250	0.00
Building Repair	£ 1,000	£ -	-100.00
Management Fee	£ 5,000	£ 5,000.06	0.00
Signage	£ 600	£ -	-100.00
Total Schedule 3	£ 6,850	£ 5,250.06	-23.4

Service Charge Total	£ 11,650	£ 9,050.06	-22.3
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