



JOHNSON FELLOWS

28 Royal Parade and
29 New George Street

Plymouth

Devon

Service Charge Expenditure Report

29th September 2023 to
28th September 2024

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Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ

Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Ltd. It is intended to provide details of the expenditure for the service charge period 29 September 2023 to 28th September 2024.

Enclosed within this report is a copy of the Service Charge Apportionment Schedule (Appendix A) & Expenditure Comparison Report (Appendix B).

The service charge is administered having regard to RICS Professional Standards; Service Charges in Commercial Property; 1st Edition, Professional Statement.

The Property

The property is located between Royal Parade and New George Street within the central retail area of the port city of Plymouth. The A38 Devon Expressway is approximately 2 miles to the north.

The property is a 1960's concrete framed structure with clad elevations and a flat roof. It is arranged over basement to third floors. Formerly part of the adjacent Debenhams department store, the building is shared between TK Maxx and Tesco.

The building is split vertically, with the TK Maxx unit accessed from Royal Parade and the Tesco unit from New George Street. There is a service yard to the rear that is shared with the neighboring buildings.

The communal services include the maintenance of the external roof and structure, the internal fire escape stairwells, pest control, drain maintenance, fire safety and communal area electrical consumption and compliance.

Service Charge Objectives

The objective of Johnson Fellows as Managing Agent is to provide a high-quality management service. In so doing we aim to provide a well-maintained environment, delivering value for money for the service charge expenditure.

The objective of this expenditure report is to provide a clear explanation of the service expenditure incurred within this financial year on a not for profit/not for loss basis. It is also to promote clarity and transparency.

Should the occupiers 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 welcomed. We would also welcome constructive feedback on the communal services provided at the property.

VAT

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

Voids and Concessions

Where any void units exist, the responsibility for the service charge rests with the Landlord. There are currently no voids.

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. The service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

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

Reserve Fund

There is no reserve fund.

Service Charge Apportionment

The expenditure is contained under a single schedule that both occupiers contribute towards.

The apportionment for this schedule is calculated having regard to the total gross internal floor area demised to each occupier.

An Apportionment Schedule is attached at Appendix A.



Management Team

Facilities Manager:

Rob Scott
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0407
Mobile: 07540 732602
Email: Rob.Scot@johnsonfellows.co.uk

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

Management Surveyor:

Maria Lazenbury
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0454
Mobile: 07884 352 576
Email: Maria.Lazenbury@johnsonfellows.co.uk

Maria Lazenbury is responsible for the overall management of the property.

Service Charge Accountant:

Kiesha Gregory
Client Accountant
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0405
Email: Kiesha.gregory@johnsonfellows.co.uk

Kiesha Gregory is the client accountant responsible for this property.

Expenditure Commentary

All figures are shown net of VAT

- **Cleaning** **£0**

There was no expenditure incurred under this heading.

- **Pest Control** **£0**

There was no expenditure incurred under this heading.

- **Drain Maintenance** **£650**

Expenditure was incurred in respect of the installation of a new drainage pipe and hopper.

- **Electrical Maintenance** **£0**

There was no expenditure incurred under this heading.

- **Roof Maintenance** **£0**

There was no expenditure incurred under this heading.

- **External Maintenance** **£3,620**

The budget provided for a contingency sum for any external repair and maintenance required to the structure. A RAAC assessment was completed, along with a clean of gutters and downpipes.

- **Electrical Consumption** **£0**

There was no expenditure incurred under this heading.

- **Planned Preventative Maintenance** **£0**

There was no expenditure incurred under this heading.

- **Fire Safety** **£0**

There was no expenditure incurred under this heading.

- **Health & Safety** **£500**

The cost heading allows for the completion of a health & safety audit, the testing of the Mansafe system and the testing of the lightning conductor.

- **Audit Fee** **£500**

The RICS Service Charge Code of Practice states that service charge accounts for commercial properties are to be independently certified on an annual basis. The cost incurred relates to the accountant's fee for this audit process.

- **Management Fee** **£6,117**

This figure represents the costs incurred for the management of the property, administration of the service charge and completing periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual indexation.

- **Facilities Management** **£2,718**

The figure represents the costs incurred to organise and supervise the various contracts in place, dealing with items of maintenance and ensuring compliance. This is a fixed fee and subject to annual indexation.

Total **£14,105**



.....
Facilities Manager

.....
Associate Partner



Appendix A

Plymouth (S/C): 28 Royal Parade & 29 New George St (02145)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 29/09/2023-28/09/2024

*Amounts in gbp

| Unit | Tenant | Days | Schedule 1 |
|--------------|------------------------------------|-------------|-------------------|
| 0001 | TJX UK (Original) | 366.00 | 61.0000 |
| 0002 | Tesco Stores Ltd (Original) | 366.00 | 39.0000 |
| Total | | | 100.0000 |

Appendix B

Plymouth (S/C): 28 Royal Parade & 29 New George St (02145)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 29/09/2023-28/09/2024

*Amounts in gbp

| Code | Description | Actual (09/ 2024) | Budget (09/ 2024) |
|-----------------------|---------------------------|--------------------------|--------------------------|
| 1 | Schedule 1 | | |
| 5100-0101 | Management Fee | 6,117.00 | 6,117.00 |
| 5100-0203 | S/C Audit Fees | 500.00 | 500.00 |
| 5100-0309 | Facilities Manager | 2,718.00 | 2,718.00 |
| 5100-0402 | Health & Safety | 500.00 | 1,500.00 |
| 5200-0501 | Electricity | 0.00 | 1,000.00 |
| 5300-1001 | Internal Cleaning | 0.00 | 1,000.00 |
| 5300-1007 | Pest control | 0.00 | 1,000.00 |
| 5300-1016 | Drainage | 650.00 | 1,000.00 |
| 5400-1201 | M&E Maintenance contract | 0.00 | 5,000.00 |
| 5400-1207 | Electrical Maintenance | 0.00 | 4,000.00 |
| 5400-1211 | Fire prevention/detection | 0.00 | 1,000.00 |
| 5400-1506 | External Maintenance | 3,620.00 | 5,000.00 |
| 5400-1531 | Roof Maintenance | 0.00 | 7,000.00 |
| Schedule Total | | 14,105.00 | 36,835.00 |
| Total | | 14,105.00 | 36,835.00 |

**TESCO STORES LTD
28 ROYAL PARADE & 29 NEW GEORGE STREET
PLYMOUTH**

SERVICE COSTS STATEMENT

INDEPENDENT REVIEW

YEAR ENDED 28TH SEPTEMBER 2024



**28 Royal Parade & 29 New George Street
Plymouth
Certificate of Service Costs for the year ended 28th September 2024**

| | 2024 | 2023 |
|--------------------------|------------------|------------------|
| Drain Maintenance | 650.00 | 250.00 |
| Fire Prevention | - | 1,100.00 |
| Roof Maintenance | - | 8,790.00 |
| External Maintenance | 3,620.00 | 1,572.92 |
| Audit Fees | 500.00 | 500.00 |
| Management Fees | 6,117.00 | 5,532.00 |
| Facilities Management | 2,718.00 | 2,458.00 |
| Health & Safety | 500.00 | - |
| Total expenditure | 14,105.00 | 20,202.92 |

No reserve fund held.

Independent Accountant's Review Report

To the Manager, 28 Royal Parade & 29 New George Street, Plymouth.

We have reviewed the statement of service charge expenditure for the above property for the year ended 28 September 2024. 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.



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