



JOHNSON FELLOWS
CHARTERED SURVEYORS

290-292 Soho Road

Handsworth

Birmingham

B21 9LZ

Service Charge Budget Report

24th June 2019 to 23rd June 2020



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





Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, Mr R Lal, Mr P Lal and Mr J L Gangotra. It is intended to provide details of the planned expenditure for the service charge year 24th June 2019 to 23rd June 2020.

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

The Property

The property is located on Soho Road (B4100), approximately two miles to the north of Birmingham City Centre. The premises comprise of a two storey building with basement, ancillary store and car park/yard to the rear. Access to the rear yard is directly from Soho Road.

The building consists of three retail units to the ground floor, albeit two of these have been knocked through into a larger single unit with office accommodation to the first floor. Access to the first floor is internally from the larger retail unit.

The common parts mainly comprise of the roof, external structure and basement boiler room.

Service Charge Objectives

The object of this budget report is to provide a clear explanation of the planned service charge expenditure on a not for profit/not for loss basis. It is also to promote clarity and transparency and to allow the leaseholders to budget accurately for the forthcoming year.

We encourage leaseholders to provide comments on the format and/or the information contained in this report which would assist in the report being improved for the benefit of all concerned. 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 deliver value for money for the service charge expenditure.

Voids and Concessions

The responsibility for service charge in respect of void accommodation or any concessions rests with the Landlord.

VAT

The Landlord has not elected the property for VAT.

Banking

Due to the level of service charge funds, they are not maintained within a discrete bank account. The funds are held within the Johnson Fellows client 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 Apportionment

The service charge apportionment percentages are calculated having regard to the net internal floor area of each occupational unit.

Under the terms of the lease, the basement accommodation and rear store are demised with 290 Soho Road. A 50% weighting has been applied to these two floor areas to reflect the benefit derived from the space, as distinct from the ground floor retail accommodation and first floor offices.

A Service Charge Apportionment schedule is enclosed in Appendix A.



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:

George Brittain
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0454
Mobile: 07884 352 576
Email: george.brittain@johnsonfellows.co.uk

George Brittain 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.



Budget Commentary

SCHEDULE 1

All figures are shown inclusive of VAT

- **External Building Repair** **£1,500.00**

The cost heading allows for repairs to common areas including attending to lipped paving, gutter cleaning, roof repairs and any issues picked up in the health and safety report. We have included contingency for unforeseen ad-hoc works.

- **Gas Supply** **£12,000.00**

The budget cost is for the gas supply for the shared central heating system, based on the consumption over the previous 12 months.

- **Water Charges** **£1,500.00**

The budget cost is for the water charges for the building, based on those incurred during the previous 12 months.

- **Health & Safety** **£750.00**

The cost of procuring the annual health and safety report.

- **Central Heating System** **£800.00**

The cost heading is for the annual service of the commercial gas boiler.

- **Insurance** **£150.00**

The budget covers the insurance engineer's inspection and premium for the plant and machinery associated with the gas boiler.

- **Audit Fee** **£270.00**

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 budget covers the accountant's fee.

- **Management Fee** **£5,710.00**

This figure represents the fee to manage the property and administer the service charge. It is a fixed fee index linked annually to RPI.

- **Facilities Management Fee** **£750.00**

This figure represents the cost incurred to coordinate the facilities management of the site

Total

Schedule 1 **£23,430.00**



Budget Sign-off

A handwritten signature in blue ink, consisting of a stylized, cursive 'M' followed by a long horizontal stroke.

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Management Surveyor

A handwritten signature in black ink, appearing to be 'C. Lantieri' in a cursive script.

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Facilities Manager



Appendix A

290 - 292 Soho Road, Handsworth, Birmingham B21 9LZ				
Service Charge Apportionment Schedule				
Unit	Floor	Area (sq ft)	Weighted Area (sq ft)	Percentage
290	Ground	2,896	2,896	37.00%
	Basement	2,235	1,118	
	Store	456	228	
	Total	5,587	4,242	
290a	Ground	1,565	1,565	17.18%
	Total	1,565	1,565	
292	Ground	1,206	1,206	36.24%
	First	2,094	2,094	
	Total	3,300	3,300	
Landlord				9.58%
Total		10,452	9,107	100.00%



Appendix B

290 - 292 Soho Road, Handsworth, Birmingham B21 9LZ

Service Charge Variance Schedule

24th June 2019 to 23rd June 2020

The property is not VAT registered. Figures are shown inclusive of VAT

Service Charge Item	Schedule	Budget YE 2019	Budget YE 2020	Budget v Budget Variance %	Budget v Budget Variance £
Building Repair	1	£ 1,500.00	£ 1,500.00	0.00%	£ -
Gas Supply	1	£ 12,000.00	£ 12,000.00	0.00%	£ -
Water Charges	1	£ 1,700.00	£ 1,500.00	-11.76%	-£ 200
H&S	1	£ 750.00	£ 750.00	na	£ -
Central Heating System	1	£ 800.00	£ 800.00	0.00%	£ -
Insurance	1	£ 150.00	£ 150.00	0.00%	£ -
Audit Fee	1	£ 270.00	£ 270.00	0.00%	£ -
Management Fees	1	£ 5,534.00	£ 5,710.00	3.18%	£ 176
Facilities Management	1	£ 500.00	£ 750.00	50.00%	£ 250
Reserve Fund	1	£ -	£ -	0.00%	£ -
		£ 23,204.00	£ 23,430.00	0.97%	£ 226.00