



JOHNSON FELLOWS
CHARTERED SURVEYORS

290/292 Soho Road

Handsworth

Birmingham

B21 9LZ

Service Charge Expenditure Report

24th June 2015 to 23rd June 2016



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Introduction

This Report has been produced by Johnson Fellows on behalf of the Landlords, Mr R Lal, Mr P Lal and Mrs J L Gangotra.

The Report is intended to provide a detailed breakdown of the expenditure for the service charge year ending 23rd June 2016.

The Property

The subject 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 and basement boiler room.

Voids and Concessions

During the service charge year Units 290a and 292 were void. The responsibility for the service charge in respect of void accommodation rests with the Landlord.

VAT

The Landlord has not elected the property for 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

The Service Charge Expenditure Report is aimed at providing a clearer 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 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.



The objective of Johnson Fellows as Managing Agents is to provide high quality management services. In so doing we aim to provide a well maintained business environment and deliver value for money for the service charge expenditure.

The service charge year end accounts and this report have been prepared having regard to the RICS Code of Practice for Service Charges in Commercial Properties 3rd Edition.



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.



Service Charge Apportionment

The service charge percentages have regard to the net internal area of each occupational unit.

A service charge apportionment percentage schedule is enclosed in Appendix A.

Under the terms of the lease, the basement accommodation and rear store building are both 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.



Expenditure Commentary

SCHEDULE 1

All figures are shown inclusive of VAT.

- **Building Repair** **£465.00**

The budget provided for various building works to be completed. The costs came in under budget.

- **Gas Supply** **£9,270.36**

The budget provides for the annual gas consumption for the central heating system in the building. The expenditure incurred for the year came in under budget.

- **Water Charges** **£839.15**

The budget provides for the water charges incurred from Seven Trent Water for the consumption and drainage to the whole building. The expenditure incurred was slightly under budget.

- **Health & Safety** **£300.00**

The budget provided for an updated health and safety audit to be completed.

- **Central Heating Maintenance** **£3,220.00**

The budget provided for the boiler service and for the annual gas safety certificate to be arranged. New flanges and dirt separator needed to be installed in the central heating system. The expenditure came in above budget.

- **Insurance** **£41.59**

The budget provides for the annual engineering insurance premium for the gas central heating boiler. The expenditure this year came in below budget as there was no requirement for a statutory engineering report in this year.

- **Audit Fee** **£216.00**

The budget provides for Haines Watts Chartered Accountants to certify the service charge year end accounts. The cost was marginally under budget.

The accountant's statement can be seen in Appendix C of this Report.

- **Professional Fees** **£365.44**

BID levy for the property.



- **Facilities Management** **£200.00**

The cost to provide facilities management support for the property.

- **Management Fees** **£5,106.72**

The cost represents the fixed management fee for property

Total

Schedule 1 **£20,024.26**

See Appendix B for the variation between the budget and the expenditure incurred this year.

The total expenditure for the year came in marginally below the budget.

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Management Surveyor

Dated 28th November 2016

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Facilities Manager

Dated 28th November 2016



Appendix A

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

Service Charge Apportionment Schedule

24th June 2015 to 23rd June 2016

Unit	Floor	Area (sq ft)	Weighted Area (sq ft)	Percentage
290	Ground	2,896	2,896	46.58%
	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	
Total		10,452	9,107	100.00%



Appendix B

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

Service Charge Variance Schedule

24th June 2015 to 23rd June 2016

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

Service Charge Item	Schedule	Budget 2015/2016	Actual 2015/2016	Budget v Actual Variance %	Budget v Actual Variance £
External Building Repair	1	£2,000	£465.00	-76.75%	-£1,535.00
Gas Supply	1	£11,500	£9,270.36	-19.39%	-£2,229.64
Water Charges	1	£900	£839.15	-6.76%	-£60.85
Central Heating System	1	£560	£3,220.00	475.00%	£2,660.00
Insurance	1	£150	£41.59	-72.27%	-£108.41
Signage	1	£0	£0.00	0.00%	£0.00
Health & Safety	1	£250	£300.00	20.00%	£50.00
Audit Fee	1	£270	£216.00	-20.00%	-£54.00
Professional Fees	1	£0	£365.44	#DIV/0!	£365.44
Management Fees	1	£5,107	£5,106.72	0.00%	-£0.28
Facilities Management	1	£200	£200.00	100.00%	£0.00
Total		£20,937	£20,024.26	-4.36%	-£912.74



Appendix C

P LAL, JI GANGOTRA & R LAL

**290 - 292 SOHO ROAD
HANDSWORTH, BIRMINGHAM**

SERVICE COSTS AUDIT STATEMENT

YEAR ENDED 23RD JUNE 2016





290-292 Soho Road
Handsworth, Birmingham
Certificate of Service Costs for the year ended 23rd June 2016

	2016	2015
Schedule 1		
Building repair	465.00	1,605.00
Gas supply	9,270.36	16,039.46
Water charges	839.15	847.93
Health & safety	300.00	0.00
Central heating maintenance	3,220.00	585.00
Insurance	41.59	95.23
Audit fees	216.00	216.00
Management fees	5,106.72	5,106.72
Professional Fees	365.44	0.00
Facilities Management	200.00	0.00
Total expenditure	<u>20,024.26</u>	<u>24,495.34</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 P Lal, JL Gangotra & R Lal 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