



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

455-469 Otley Road,

Undercliff,

Bradford,

BD2 4QF

**Service Charge Expenditure Report**

29<sup>th</sup> September 2015 to

28<sup>th</sup> September 2016



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## **Introduction**

The service charge expenditure report is intended to provide details of the expenditure incurred for the service charge year.

A service charge is necessary for the upkeep of communal structures, services and areas.

## **The Property**

The property comprises of a parade of eight retail shops. There is a forecourt to the front and a car park/service area to the rear which is accessed from the A6177.

The common parts serving the whole property include the main structure and the external parts of the buildings, but not the shop frontages, the vehicular access, forecourt, car park and the boundary walls/fences.

## **Voids and Concessions**

The service charge for any void lettable units or attributable to any service charge concessions is the responsibility of the Landlord.

## **VAT**

The Landlord has elected the property for VAT. The figures shown in this report are net of VAT.

The service charge payable by the commercial lessees will have VAT charged at the standard rate.

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

## **Reserve Fund**

Whilst the leases do provide for a reserve fund, one is not operated at present. Unbudgeted exceptional expenditure is recoverable.

## **Service Charge Objectives**

The object of this expenditure report is to provide clear explanation of the 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.

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 welcome constructive feedback on the communal services provided at the property.



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

The service charge is administered having regard to Service Charges in Commercial Property; RICS 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](mailto:chris.monteith@johnsonfellows.co.uk)

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

#### Management Surveyor:

Neil Wetherell  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0406  
Mobile: 07836 313 914  
Email: [neil.wetherell@johnsonfellows.co.uk](mailto:neil.wetherell@johnsonfellows.co.uk)

Neil Wetherell 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](mailto:rebecca.glover@johnsonfellows.co.uk)

Rebecca Glover is the client accountant responsible for this property.

### **Service Charge Apportionment**

The service charge operates for the whole property as defined in the lease documents. The apportionment percentages for each lessee are noted within the Service Charge Apportionment Schedule, as detailed in Appendix A.

The apportionment of the service charge has regard to the NIA of each unit.

The exception to the normal arrangements is that the lease for 461 Otley Road provides for the service charge to include the external decorations of the shop front, whilst no other lease does. If such expenditure is incurred, the lease allows for all the costs to be apportioned to the tenant of 461 Otley Road.



## Expenditure Commentary

### **SCHEDULE 1**

*All figures are shown net of VAT*

- **Cleaning** **£635**

The contribution to the cost of cleaning the car park by Tesco's contractor.

- **Pest Control** **£361**

The pest control contract with Rentokil operating for the car park/service yard.

- **Refuse** **£240**

Disposal of fly tipping.

- **Boundary Maintenance** **£0**

No expenditure was necessary.

- **Building Repairs** **£570**

The patch repair of a roof to the buildings.

- **Car Park Maintenance** **£0**

No expenditure was necessary.

- **Drain Maintenance** **£600**

Annual flush of the surface water drains serving the car park.

- **Electrical Repair** **£95**

The cost to investigation the location of meter serving common areas. No meter was found.

- **Electricity Supply** **-£4,632**

We have been investigating the electricity supply to the common parts. Historically payments have been made to the electricity company for a metered supply and estimated readings have been used. In trying to get an accurate meter reading to show actual consumption we have confirmed that there is no separate metered supply and the electricity is provided via the Tesco store metered supply. As a result, we have obtained a credit from the electric supply company for the estimated supply costs for the period 26/6/12 to 27/10/15 and we have reversed the accrual made for 2014/2015 service charge year. The service charge year end accounts were delayed to incorporate the result of this investigation.



As the electricity for the car park is from the Tesco supply with no sub-meter, we have reimbursed to Tesco a share of the costs they have incurred, reflecting £250pa, a total of £1,000 for the four years to 28/9/16.

The outcome being a credit in the year end accounts.

- **Statutory Compliance** **£500**

The health and safety audit of the common parts was completed.

- **Management Fee** **£1,071**

This figure represents the fee to manage the property and administer the service charge as provided for in the budget. It includes the preparation of the annual service charge accounts which are not externally certified, having regards to the level of expenditure.

- **Facilities Management** **£220**

The cost for the Facilities Manager to organise and supervise the service charge contracts and maintenance works.

**Total**

**Schedule 1** **-£340**

The total expenditure was below the budget due to the electricity credit. This will result in year-end credit balances.

.....  
Facilities Manager

.....  
Partner

.....  
Dated 27<sup>th</sup> October 2017

.....  
Dated 27<sup>th</sup> October 2017



**Appendix A**

**455-469 Otley Road, Bradford, BD2 4QF**

**Service Charge Apportionment Schedule**

**29th September 2015 to 28th September 2016**

<b>Unit</b>	<b>Schedule</b>	<b>Area (sq m)</b>	<b>Percentage</b>
455	1	46.60	6.49%
457/459	1	150.61	20.96%
461	1	76.44	10.64%
463	1	78.70	10.95%
465/469	1	366.21	50.96%
<b>TOTAL</b>		<b>718.56</b>	<b>100.00%</b>



**Appendix B**

**455-469 Otley Road, Bradford, BD2 4QF**

**Service Charge Variance Schedule**

**29th September 2015 to 28th September 2016**

The property is VAT registered. Figures shown net of VAT.

Service Charge Item	Schedule 1	Budget 2015/2016	Actual 2015/2016	Budget v Actual Variance %	Budget v Actual Variance £
Cleaning	1	£ 635	£ 635	0.00%	£ -
Pest Control	1	£ 370	£ 361	-2.56%	-£ 9
Refuse	1	£ 250	£ 240	-4.00%	-£ 10
Boundary Maintenance	1	£ 500	£ -	-100.00%	-£ 500
Building Repair	1	£ 750	£ 570	-24.00%	-£ 180
Car Park Maintenance	1	£ 1,300	£ -	-100.00%	-£ 1,300
Drain Maintenance	1	£ 750	£ 600	-20.00%	-£ 150
Electrical Repair	1	£ 500	£ 95	-81.00%	-£ 405
Electricity Supply	1	£ 750	-£ 4,632	-717.58%	-£ 5,382
Statutory Compliance	1	£ 500	£ 500	0.00%	£ -
Interest	1	£ -	£ -	N/A	£ -
Management Fees	1	£ 1,071	£ 1,071	0.00%	-£ 0
Facilities Management	1	£ 220	£ 220	0.00%	£ -
<b>1 Total</b>		<b>£ 7,596</b>	<b>-£ 340</b>	<b>-104.48%</b>	<b>-£ 7,936</b>
<b>Grand Total</b>		<b>£ 7,596</b>	<b>-£ 340</b>	<b>-104.48%</b>	<b>-£ 7,936</b>