



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

455-469 Otley Road,

Undercliff,

Bradford,

BD2 4QF

**Service Charge Expenditure Report**

**29<sup>th</sup> September 2017 to**

**28<sup>th</sup> September 2018**



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## **Introduction**

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

A service charge is required 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 the RICS professional statement: Service Charges in Commercial Property; 1<sup>st</sup> edition.

Due to the low level of expenditure, the service charge is not certified by external accountants.

### **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, 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** **£365**

The removal of one lot of fly tipping which needed to be cleared.

- **Boundary Maintenance** **£0**

No expenditure was necessary.

- **Building Repairs** **£251**

A patch repair of a roof to the buildings was completed.

- **Car Park Maintenance** **£3,496**

The overspend for this year resulted from the introduction of gritting of the car park/service yard and forecourt. A separate cost heading has been provided in the 2018/2019 budget.

Additional works included the fitting of dummy CCTV cameras to help improve security and the repair of a kerb.

- **Drain Maintenance** **£600**

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

- **Electrical Repair** **£0**

The cost to install a sub-meter so in future the electrical costs allocated to the service charge reflect actual consumption together with a contribution to the standing charge.

- **Electricity Supply** **£500**

A contribution to the electrical supply costs to the common areas.

- **Statutory Compliance** **£1000**

The health and safety audit of the common parts in August 2018. The overspend resulted from the deferred allocation of the audit cost incurred in 2017/2018.



- **Management Fee** **£1,126**

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** **£232**

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

**Total**

- Schedule 1** **£8,565**

The total expenditure was above the budget due to the introduction of gritting of the common external areas. This results in a debit balance for the year.

.....  
Facilities Manager

Dated 27<sup>th</sup> September 2019

.....  
Partner

Dated 27<sup>th</sup> September 2019



**Appendix A**

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

**Service Charge Apportionment**

**29th September 2017 to 28th September 2018**

<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>

**NOTE**

Areas obtained from the 2017 VOA rating list



**Appendix B**

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

**Service Charge Variance**

**29th September 2017 to 28th September 2018**

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

Service Charge Item	Schedule	Actual 2016/2017	Budget 2017/2018	Actual 2017/2018	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	1	£ 635	£ 635	£ 635	0.00%	£ -
Pest Control	1	£ 361	£ 370	£ 361	-2.56%	-£ 9
Refuse	1	£ -	£ 250	£ 365	46.00%	£ 115
Boundary Maintenance	1	£ -	£ 500	£ -	-100.00%	-£ 500
Building Repair	1	£ 500	£ 750	£ 251	-66.60%	-£ 500
Car Park Maintenance	1	£ -	£ 1,500	£ 3,496	133.07%	£ 1,996
Drain Maintenance	1	£ 600	£ 600	£ 600	0.00%	£ -
Electrical Repair	1	£ 600	£ 400	£ -	-100.00%	-£ 400
Electricity Supply	1	£ 500	£ 250	£ 500	100.00%	£ 250
Statutory Compliance	1	£ -	£ 500	£ 1,000	100.00%	£ 500
Interest	1	£ -	£ -	£ -	#DIV/0!	£ -
Management Fees	1	£ 1,088	£ 1,126	£ 1,126	0.00%	£ 0
Facilities Management	1	£ 224	£ 232	£ 232	0.00%	£ -
<b>1 Total</b>		<b>£ 4,508</b>	<b>£ 7,113</b>	<b>£ 8,565</b>	<b>20.41%</b>	<b>£ 1,452</b>
<b>Grand Total</b>		<b>£ 4,508</b>	<b>£ 7,113</b>	<b>£ 8,565</b>	<b>20.41%</b>	<b>£ 1,452</b>