



JOHNSON FELLOWS
CHARTERED SURVEYORS

5/7 High Street

Henley-in-Arden

Solihull

B95 5AA

Service Charge Expenditure Report

1st December 2015 to

30th November 2016



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





Introduction

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

As this is a newly refurbished property, a service charge has not previously operated. This is the first year end expenditure report.

A service charge is necessary due to there being communal structures, services and areas.

As the service charge history is limited, the service charge is reviewed at the year end and subsequent budgets will reflect more accurately the services required and the expenditure incurred.

The Property

The property comprises of a three storey office building. To the rear is a car park to the offices with vehicular access from Millfield Court.

The common parts serving the whole property include the main structure and the external elements of the building, the car park and the boundary walls/fences. The communal areas also include the front ground floor entrance to the building, reception, stairs to the first and second floor offices and toilets on the first floor.

In addition to the common areas of the building, there are common services including cleaning, heating and all utilities, including electricity consumed within the office suites.

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. Consequently the service charge budget is stated net of VAT which is 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. As a consequence the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Reserve Fund

There is no reserve fund.



Service Charge Objectives

The object of this 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 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 delivering value for money for the service charge expenditure.

The service charge is administered having regard to RICS Code of Practice: Service Charges in Commercial Property, 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:

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

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

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.

Schedule 1 - Whole

All tenants are liable for contributing towards all expenditure.

The apportionment of the service charge has regard to the NIA of the accommodation.



Expenditure Commentary

SCHEDULE 1 – Whole

All figures are shown net of VAT

- **Cleaning** **£3,554.73**

The contract cost for the cleaning of the common areas and office suites by Christine's Cleaning and toilet supplies by Initial.

- **Refuse** **£809.27**

The contract cost for the refuse removal, comprising one Euro bin emptied periodically. The contract was transferred from Biffa to Veolia during the year.

- **Repairs – External** **£1,035.00**

The building has only recently undergone refurbishment. There were a number of minor repairs carried out to maintain the external parts of the building, including external signage, a problem of damp and clearing a drain.

- **Repairs – Internal** **£955.00**

The building has only recently undergone refurbishment. There were a number of minor repairs carried out to maintain the internal parts of the building, including new internal signage and touch up decorations.

- **Electricity Supply** **£1,003.79**

There are three electricity supplies to the property, including all office suites. The electricity consumption was below that anticipated in the budget as there was no previous consumption information. The contract was transferred from EON to Npower during the year.

- **Gas Supply** **£1,861.85**

There is a single gas supply for the boiler providing heating and hot water. The gas consumption was more than budgeted for as there is no previous consumption information. The contract was transferred from EON to Npower during the year.

- **Water Charges** **£251.74**

There is a single metered water supply for the property. The water consumption was less than anticipated as there is no previous consumption information.

- **Statutory Compliance** **£688.50**

On completion of the refurbishment and alterations a Fire Risk Assessment was undertaken for the building. In addition, the costs of the extinguishers are included under this heading.



- **Central Heating Maintenance** **£0.00**

No maintenance expenditure needed to be incurred for the central heating during this service charge year.

- **Management Fee** **£1,250.00**

This figure represents the fee to administer the service charge. It is a fixed fee indexed linked annually to RPI.

Total

Schedule 1 **£11,409.88**

Please note this expenditure is net of VAT at 20%.

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Management Surveyor

7th March 2017

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Dated



Appendix A

5/7 High Street, Henley-in-Arden, Solihull, B95 5AA

Service Charge Apportionment Schedule

1st December 2015 to 30th November 2016

Unit	Area (sq m)	Percentage
Ground Floor	99.8	49%
First Floor - Front	39.6	19%
First Floor - Rear	46.9	23%
Second Floor	18.7	9%
TOTAL	205.0	100%



Appendix B

5/7 High Street, Henley-in-Arden, Solihull, B95 5AA

Service Charge Variance Schedule

1st December 2015 to 30th November 2016

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

Service Charge Item	Schedule	Budget 2016	Expenditure 2016	Expenditure v Budget	
				Variance %	Variance £
Cleaning	1	£ 4,000	£ 3,555	-11.13%	-£ 445
Refuse	1	£ 1,000	£ 809	-19.07%	-£ 191
Repairs - External	1	£ 500	£ 1,035	107.00%	£ 535
Repairs - Internal	1	£ 500	£ 955	91.00%	£ 455
Electricity Supply	1	£ 3,000	£ 1,004	-66.54%	-£ 1,996
Gas Supply	1	£ 1,000	£ 1,862	86.19%	£ 862
Water Charges	1	£ 750	£ 252	-66.43%	-£ 498
Statutory Compliance	1	£ 1,000	£ 689	-31.15%	-£ 312
Central Heating Maintenance	1	£ 600	£ -	-100.00%	-£ 600
Management Fees	1	£ 1,250	£ 1,250	0.00%	£ -
TOTAL		£ 13,600	£ 11,410	-16.10%	-£ 2,190