



JOHNSON FELLOWS
CHARTERED SURVEYORS

60-63 High Street

Egham

Surrey

TW20 9EX

Service Charge Expenditure Report

27th July 2015 to 23rd June 2016



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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, Tesco Stores Ltd. It is intended to provide details of the expenditure incurred during the service charge period 27th July 2015 to 23rd June 2016. The period is not a complete year. The service charge commenced on 27th July 2015 in accordance with the lease of the first floor. For accounting purposes it was felt best to tie the year end in with the nearest quarter day.

The Property

The property is located on Egham High Street, approximately half a mile from the A30 Egham By-Pass, which leads to Junction 13 of the M25 Motorway one mile to the north.

The property is of steel framed construction with brick elevations. It is part single storey and part three storey. The ground floor consists of a Tesco Superstore. There are first and second floor offices above to the front section of the building.

The offices are accessed via a separate entrance from High Street. The entrance foyer leads to a dedicated communal staircase. Male and female toilets are provided at first and second floor landing levels.

The communal services provided for the property consist of the upkeep and maintenance of the internal office entrance, staircase and toilets, electricity and gas supplies, associated statutory compliance and the external upkeep of the front section of the building to which the offices form part. Tesco is directly responsible for the maintenance of the structure and roof for the rear single storey Superstore.

Voids and Concessions

Where any void units exist, the responsibility for the service charge rests with the Landlord. The second floor offices are currently vacant.

VAT

The property is elected for VAT, consequently the expenditure stated within this report is net of 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.

Interest charged on the late payment of service charge by tenants is to be credited to the service charge.

Reserve Fund

There is no reserve fund.



Service Charge Objectives

The objective of Johnson Fellows as Managing Agent is to provide a high quality management service. In so doing we aim to provide a well maintained environment, delivering value for money for the service charge expenditure.

The objective of this expenditure report is to provide a clear explanation of the service charge expenditure on a not for profit/not for loss basis. It is also 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 welcomed. We would also welcome constructive feedback on the communal services provided at the property.

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

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

Management Surveyor:

Ian Starbuck

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0462

Mobile: 07887 745 635

Email: ian.starbuck@johnsonfellows.co.uk

Ian Starbuck 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 apportionment for each schedule is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

Schedule One Office Occupiers Only

Schedule Two All Occupiers

There are two separate schedules set up. The occupiers of the first and second floor offices contribute towards Schedule One. All occupiers contribute towards Schedule Two.

The apportionment percentages are calculated based on net internal floor areas. Costs that are shared between both schedules for items such as Management and Auditors Fees have been apportioned between the schedules based approximately on the total expenditure within each schedule.



Expenditure Commentary

SCHEDULE 1 – Office Occupiers Only

All figures are shown net of VAT

- **Internal Cleaning** **£862.02**

The expenditure represents the contract cost for the twice weekly clean of the common areas and toilets. The operative is on site for 2 hours per week. The costs were under budget.

- **Cleaning Materials** **£321.70**

The expenditure is for the purchase of cleaning consumables such as toilet roll, soap and paper towels. The costs were marginally under budget.

- **Internal Repair** **£1,895.50**

The budget provided a contingency sum for any unforeseen ad-hoc items of repair and maintenance. The expenditure was over budget.

- **Access System** **£611.12**

The budget provided for the annual maintenance contract for the intercom/door entry system. The expenditure was over budget due to some additional essential repairs.

- **Fire Prevention** **£2,970.00**

The expenditure relates to the annual maintenance contract for the fire alarm. The costs were above budget due to the need to replace the fire alarm panel.

- **Security Equipment** **£0.00**

The budget allowed for the maintenance of the intruder alarm to the common areas. No expenditure was incurred due to the alarm being redundant.

- **Statutory Compliance** **£2,408.81**

The budget provided for the completion of the mandatory gas safety certificate, health and safety audit and fire risk assessment. The expenditure was above budget. In addition, water temperature testing was completed and a water risk assessment carried out.

- **Electrical Repair** **£0.00**

The cost heading allowed for any ad-hoc electrical repair works. No expenditure was incurred.



- **Electrical Supply** **£125.32**

The cost heading allowed for the electricity consumption within the common parts. The expenditure was under budget due to a credit on the account.

- **Gas Supply** **£0.00**

The cost heading allowed for the gas consumption within the offices. The gas bills continued to be sent to and paid by Tesco during the year. Whilst this is in the process of being investigated and resolved. There will be no charges applied for the year.

- **Window Cleaning** **£0.00**

The budget figure allowed for the bi-annual external cleaning of the windows to the entrance hall and offices. Due to other priorities the contract was not set up. However, the windows were cleaned as part of the works in advance of the service charge commencement.

- **Water Charges** **£0.00**

The budget heading allowed for the anticipated cost of the water rates for the offices. The water bills continued to be sent to and paid by Tesco during the year. Whilst this is in the process of being investigated and resolved. There will be no charges applied for the year.

- **Audit Fee** **£320.00**

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 Accountants fee for certifying the year end service charge account is on budget. This has been split between both schedules.

- **Management Fee** **£1,817.81**

This figure represents the costs incurred for the management of the property and administration of the service charge, including periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation. The total fixed fee for the apportioned period of the service charge year is £2,272.26 and is split between both schedules.

Total

Schedule 1 **£11,332.28**



SCHEDULE 2 – All Occupiers

All figures are shown net of VAT

- **Statutory Compliance** **£225.00**

The expenditure allowed for the annual lightning conductor test.

- **Building Repair** **£0.00**

The budget provided a contingency sum for any unexpected external repairs. No works were completed.

- **Drain Maintenance** **£0.00**

The budget allowed for maintenance to the rainwater goods. No works were completed.

- **Audit Fee** **£80.00**

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 Accountants fee for certifying the year end service charge account is on budget. This has been split between both schedules.

- **Management Fee** **£454.45**

This figure represents the costs incurred for the management of the property and administration of the service charge, including periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation. The total fixed fee is £2,272.26 and is split between both schedules.

Total

Schedule 2 **£759.45**

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Facilities Manager

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Management Surveyor

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Dated 31st January 2017

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Dated 31st January 2017



Appendix A

60-63 High Street, Egham, Surrey

Service Charge Apportionment Schedule

27th July 2015 to 23rd June 2016

Floor	Schedule	Area Sq Ft	Percentage
First Floor	1	2,810	50.40%
Second Floor	1	2,765	49.60%
1 Total		5,575	100.00%
Ground Floor	2	2,810	33.51%
First Floor	2	2,810	33.51%
Second Floor	2	2,765	32.98%
2 Total		8,385	100.00%



Appendix B

60-63 High Street, Egham, Surrey

Service Charge Variance Schedule

27th July 2015 to 23rd June 2016

Figures for all schedules are shown net of VAT.

Service Charge Item	Schedule	Budget	Expenditure
Internal Cleaning	1	£ 2,280.82	£ 862.02
Cleaning Materials	1	£ 364.93	£ 321.70
Internal Repair	1	£ 912.33	£ 1,895.50
Access System	1	£ 364.93	£ 611.12
Fire Prevention	1	£ 912.33	£ 2,970.00
Security Equipment	1	£ 1,368.49	£ -
Statutory Compliance	1	£ 912.33	£ 2,408.81
Electrical Repair	1	£ 456.16	£ -
Electrical Supply	1	£ 912.33	£ 125.32
Gas Supply	1	£ 3,649.32	£ -
Window Cleaning	1	£ 456.16	£ -
Water Charges	1	£ 547.40	£ -
Audit Fee	1	£ 318.73	£ 320.00
Management Fee	1	£ 1,824.66	£ 1,817.81
1 Total		£ 15,280.92	£ 11,332.28
Statutory Compliance	2	£ 364.93	£ 225.00
Building Repair	2	£ 1,368.49	£ -
Drain Maintenance	2	£ 593.01	£ -
Audit Fee	2	£ 79.68	£ 80.00
Management Fees	2	£ 456.16	£ 454.45
2 Total		£ 2,862.27	£ 759.45
Grand Total		£ 18,143.19	£ 12,091.73