



JOHNSON FELLOWS
CHARTERED SURVEYORS

73 Turnberry Road,

Bloxwich

Walsall

West Midlands, WS3 3UA

Service Charge Expenditure Report

25th December 2017 to

28th September 2018



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Introduction

The service charge report is intended to provide details of the expenditure incurred during the service charge period which we have operated for an initial 9-month period.

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

Johnson Fellows have not previously operated the service charge, so this is the first service charge expenditure report.

As the service charge history is very limited, the service charge will be reviewed annually so that subsequent budgets will reflect accurately the services required and the expenditure incurred.

The Property

The property comprises of a single-storey building in multiple occupation, split into a convenience store and two retail units. To the front is a pedestrian area and a car park and to the rear is a service yard.

Situated immediately adjacent to the property is a detached building split into three units all trading as hot food take-away businesses which share part of the rear service yard with the Property. On the opposite side of the car park is the One Man and his Dog public house. All premises have use of an area of the car park.

The common parts serving the whole property include the main structure and the external elements (but not the shop frontages), part of the car park and service yard, soft landscaped areas and the boundary walls/fences. The only communal system is the external lighting.

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 service charge has 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. As a consequence the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Reserve Fund

A reserve fund has not been established.



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 for the service charge.

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.

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 in Appendix A.



Expenditure Commentary

SCHEDULE 1 – General

All figures are shown net of VAT

- **Cleaning** £0

No cleaning was organised in the initial service charge period.

- **Building Repair** £0

No reactive repairs to the external parts of the building were necessary during the service charge period.

- **Decoration – External** £0

No decorations were planned or undertaken during the service charge period.

- **Drain Maintenance** £0

No works were planned or undertaken to the drains during the service charge period.

- **Electrical Repairs** £0

No reactive repairs to the communal electrical fittings were planned or undertaken during the service charge period.

- **Landscape - External** £0

No works were planned or undertaken to the landscaped areas during the service charge period.

- **Repairs – External** £620

Repairs were undertaken to the uneven and broken paving slabs to the front of the shop units. This was to mitigate any trip hazard risks to members of the public.

- **Gritting** £270

Unbudgeted expenditure was incurred for the gritting of the car park, service yard and pedestrian walkways during the winter.

- **Electric Supply** £0

No contribution was paid towards the electric supply for the communal lighting during the period.

- **Statutory Compliance** £0

No audits were planned or undertaken at the property during the service charge period.



- **Insurance** **£0**

The insurance premiums for the building are recharged directly by Midcounties Co-operative and no longer form part of the service charge.

- **Audit Fee** **£0**

The service charge code provides for the service charge accounts to be certified on an annual basis. However, the expenditure during the initial service charge period means it would be disproportional for an independent accountant to be instructed to do this. For this period Johnson Fellows will certify the service charge certificates.

- **Management Fee** **£554**

This is the fee to manage the property and administer the service charge which is indexed linked annually to RPI.

- **Facilities Management** **£300**

The figure is the cost of the facilities managers fee to administer the maintenance contracts and organise the repair and maintenance of the common parts. It is a fixed fee indexed linked annually to RPI.

Total

Schedule 1 **£1,744**

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

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Management Surveyor

Dated 21st February 2019

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Facilities Manager

Dated 21st February 2019



Appendix A

73 Turnberry Road, Walsall, WS3 3UA		
Service Charge Apportionment		
25th December 2017 to 28th September 2018		
Unit	Schedule	Percentage
Unit1A 73 Turnberry Road	1	14.00%
Unit 1B, Front, 73 Turnberry Road	1	14.00%
Unit 1B, Rear 73 Turnberry Road	1	0.00%
D3-431 73 Turnberry Road	1	72.00%
	1 Total	100.00%
	Grand Total	100.00%



Appendix B

73 Turnberry Road, Walsall, WS3 3UA

Service Charge Variance

25th December 2017 to 28th September 2018

The property is VAT registered. Figures for Schedule 1 shown net of VAT.

Service Charge Item	Schedule	Budget 2017/2018 (12 months)	Actual 2017/2018 (9 months)	Actual v Budget Variance %	Actual v Budget Variance £
Cleaning	1	£ 659	£ -	-100%	-£ 659
Building Repair	1	£ -	£ -	N/A	£ -
Decoration - External	1	£ -	£ -	N/A	£ -
Drain Maintenance	1	£ -	£ -	N/A	£ -
Landscape - External	1	£ -	£ -	N/A	£ -
Repairs - External	1	£ 1,125	£ 620	-45%	-£ 505
Gritting	1	£ -	£ 270	N/A	£ 270
Statutory Compliance	1	£ -	£ -	N/A	£ -
Insurance	1	£ 900	£ -	-100%	-£ 900
Audit Fees	1	£ -	£ -	N/A	£ -
Management Fees	1	£ 554	£ 554	0%	£ -
Facilities Management	1	£ 300	£ 300	0%	£ -
1 Total		£ 3,537	£ 1,744	-51%	-£ 1,794
Grand Total		£ 3,537	£ 1,744	-51%	-£ 1,794

NOTE

Annual budget operated for 9 month period