



**Battle Hospital**

**Oxford Road**

**Reading**

**RG30 1AP**

**Service Charge Expenditure Report**

**29<sup>th</sup> September 2024 to**

**18<sup>th</sup> March 2025**



## **Contents**

Introduction

The Property

Service Charge Objectives

VAT

Voids and Concessions

Banking

Reserve Fund

Service Charge Apportionment

Management Team

Expenditure Commentary

## **Appendices**

- A. Service Charge Apportionment Schedule
- B. Service Charge Variance Schedule

Johnson Fellows. 180, Newhall Street, Birmingham, B3 1SJ





## **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 18<sup>th</sup> March 2025.

Enclosed within this report is a copy of the Service Charge Variance Schedule and Service Charge Apportionment Schedule.

The service charge is administered having regard to RICS Professional Statement; Service Charges in Commercial Property; 1st Edition.

## **The Property**

The property is located off the A329 Oxford Road, which forms one of the main arterial routes into Reading from the west. The town centre is approximately 1 mile to the east and Reading West railway station lies less than ½ a mile to the east. Junction 4 of the M4 Motorway is approximately 3½ miles to the south.

The property is of steel framed construction with brick and clad elevations under a pitched roof. The main block, Cholsey House, is two storey with retail units to the ground floor and a mix of commercial and residential apartments to the first floor. Adjoining Cholsey House is the entrance to Winterbrook House, which provides housing association apartments above the Tesco Extra store.

An archway through Cholsey House gives access to a secure gated car park to the rear. The car park is shared between the residential occupiers and the commercial offices on the first floor of Cholsey House.

A secondary open car park is located to the front of the property for the benefit of the customers of the commercial units.

The communal services provided at the property consist of the cleaning and landscaping to both car parks, the external upkeep and maintenance of Cholsey House & Winterbrook House and the fire alarm to the first floor of Cholsey House. Tesco is directly responsible for their store and the areas immediately surrounding it.

## **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 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.



## **VAT**

The property is elected for VAT.

The VAT on the service charge expenditure attributable to the residential elements of the property cannot be recovered, so the gross expenditure is applied. The VAT on the commercial expenditure can be recovered, consequently the net costs plus VAT are applied, enabling the commercial leaseholders to recover the VAT charged to them.

## **Voids and Concessions**

Where any void units exist, the responsibility for the service charge rests with the Landlord.

## **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 Apportionment**

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

Schedule One:	Rear Car Park – Residential (Gross)
Schedule Two:	Cholsey House Building – Commercial (Net)
Schedule Three:	Cholsey House Building – Residential (Gross)
Schedule Four:	Upper Floor Cholsey House – Commercial (Net)
Schedule Five:	Upper Floor Cholsey House – Residential (Gross)
Schedule Six:	Winterbrook House Building – Residential (Gross)
Schedule Seven:	Front Car Park – Commercial (Net)
Schedule Eight:	Rear Car Park – Commercial (Net)

There are eight separate schedules set up for the service charge year. The different schedules reflect the split of the shared costs between the commercial and residential elements. The rationale behind our splitting the shared costs for the residential and commercial leaseholders is purely due to VAT. Residential properties are not able to recover VAT, therefore the expenditure detailed is inclusive of VAT (Gross). The commercial leaseholders are able to recover VAT, therefore the expenditure for the commercial element is net of VAT.

The two residential elements and the first floor offices of Cholsey House contribute towards Schedules One and Eight. The apportionment is based on the number of car spaces allocated and the costs are split between the two schedules on a commercial/residential (net/gross) basis. Schedules Two and Three are contributed towards by all occupiers of Cholsey House. The costs are apportioned based on floor area and are split between the two schedules on a commercial/residential (net/gross) basis. Schedules four and five are for the first floor commercial and residential accommodation of Cholsey House. These are again apportioned based on floor area and split between the two schedules on a commercial/residential (net/gross) basis. Schedule Six is solely contributed towards by Southern Housing and on a gross basis. Schedule Seven, which is for the benefit of the commercial occupiers of Cholsey House, is also apportioned based on floor area and is net of VAT.

Costs that are shared between several schedules for items such as Management and Auditors Fees have been apportioned between the schedules based approximately on the total expenditure within each schedule.



## **Management Team**

### **Facilities Manager:**

Robert Scott  
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ  
Direct Dial: 0121 234 0407  
Mobile: 07540 732 602  
Email: robert.scott@JohnsonFellows.co.uk

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

### **Management Surveyor:**

Tina Hothi  
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ  
Direct Dial: 0121 234 0462  
Mobile: 07510 373 185  
Email: Tina.Hothi@johnsonfellows.co.uk

Tina Hothi is responsible for the overall management of the property.

### **Service Charge Accountant:**

Kiesha Gregory  
Client Accounts  
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ  
Direct Dial: 0121 234 0405  
Email: Kiesha.Gregory@johnsonfellows.co.uk

Kiesha Gregory is the client accountant responsible for this property.



## Expenditure Commentary

### **SCHEDULE 1 (Residential 90.90% Gross) & SCHEDULE 8 (Commercial 9.10% Net) – REAR CAR PARK**

	<b>Schedule 1</b>	<b>Schedule 8</b>
• <b>Pest Control</b>	<b>£157.57</b>	<b>£13.14</b>

The heading reflects the cost of the pest control contract for the rear car park.

• <b>External Maintenance</b>	<b>£0.00</b>	<b>£0.00</b>
-------------------------------	--------------	--------------

The budget provided for any repairs required to the car park and drainage works, however, no expenditure occurred during this service charge period.

• <b>Cleaning &amp; Landscaping</b>	<b>£2,717.46</b>	<b>£226.68</b>
-------------------------------------	------------------	----------------

The cost heading was for the landscaping and litter pick contract, together with a sum for ad-hoc landscaping repairs and weed treatment.

• <b>Gritting</b>	<b>£2,236.15</b>	<b>£186.54</b>
-------------------	------------------	----------------

The budget provided for the gritting of the car park during the winter months.

• <b>Utilities</b>	<b>£0.00</b>	<b>£0.00</b>
--------------------	--------------	--------------

The cost heading was for the electricity consumption within the rear car park for the lighting and automatic gates. The supply continues to be linked to the Tesco electricity meter meaning that no expenditure was incurred.

• <b>M &amp; E Maintenance</b>	<b>£340.88</b>	<b>£28.43</b>
--------------------------------	----------------	---------------

The expenditure heading is for the maintenance contract for the electronic car park gates.

• <b>M &amp; E Repairs</b>	<b>£1,925.27</b>	<b>£159.61</b>
----------------------------	------------------	----------------

The budget allowed for unforeseen repairs to the car park gate and for other electrical maintenance within the car park.

• <b>Building Repair</b>	<b>£0.00</b>	<b>£0.00</b>
--------------------------	--------------	--------------

The budget provides a contingency sum for any unexpected external repairs that may need to be carried out to the structure. No expenditure has occurred during this service charge period.

• <b>Health &amp; Safety</b>	<b>£0.00</b>	<b>£0.00</b>
------------------------------	--------------	--------------

The budget provided for the completion of a Health & Safety Audit for the site and no expenditure occurred during this period.





**SCHEDULE 2 (Commercial 64.24% Net) & SCHEDULE 3 (Residential 35.76% Gross)  
– CHOLSEY HOUSE BUILDING**

	<b>Schedule 2</b>	<b>Schedule 3</b>
• <b>Cleaning</b>	<b>£0.00</b>	<b>£0.00</b>

The cost heading provided for the annual cleaning of the gutters, however, no expenditure has occurred within this service charge period for either of the schedules.

• <b>Building Repair</b>	<b>£6,272.98</b>	<b>£4,190.42</b>
--------------------------	------------------	------------------

The budget provided a contingency sum for any unexpected external repairs that may need to be carried out to the structure. However, works have been carried out and expenditure for this service charge year was over budget.

• <b>Health &amp; Safety</b>	<b>£0.00</b>	<b>£0.00</b>
------------------------------	--------------	--------------

The budget provided for the completion of a Health & Safety Audit for the site. It was not carried out during this service charge year.

• <b>Site Staff Costs</b>	<b>£95.88</b>	<b>£40.89</b>
---------------------------	---------------	---------------

The figure represents the costs incurred for periodic site inspections, to organise and supervise the various contracts in place, deal with items of maintenance and ensure compliance.

• <b>Audit Fee</b>	<b>£0.00</b>	<b>£0.00</b>
--------------------	--------------	--------------

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 £0.00

• <b>Management Fee</b>	<b>£172.56</b>	<b>£73.60</b>
-------------------------	----------------	---------------

This figure represents the costs incurred for the management of the property and the administration of the service charge. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation.

<b>Totals</b>		<b>£4,955.22</b>
---------------	--	------------------



**SCHEDULE 4 (Commercial 26.86% Net) & SCHEDULE 5 (Residential 73.14% Gross)  
– UPPER FLOOR CHOLSEY HOUSE**

	<b>Schedule 4</b>	<b>Schedule 5</b>
• <b>Fire Prevention</b>	<b>£441.74</b>	<b>£1,443.45</b>

The expenditure heading provided for the maintenance contract and weekly testing of the fire alarm linked between the first-floor commercial unit and the residential flats.

• <b>Site Staff Costs</b>	<b>£13.96</b>	<b>£45.62</b>
---------------------------	---------------	---------------

The figure represents the costs incurred for periodic site inspections, to organise and supervise the various contracts in place, deal with items of maintenance and ensure compliance.

• <b>Audit Fee</b>	<b>£0.00</b>	<b>£0.00</b>
--------------------	--------------	--------------

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 was not passed to the tenants for this period.

• <b>Management Fee</b>	<b>£25.12</b>	<b>£85.12</b>
-------------------------	---------------	---------------

This figure represents the costs incurred for the management of the property and the administration of the service charge.

<b>Totals</b>		<b>£2,052.01</b>
---------------	--	------------------



**SCHEDULE 6 (Residential 100.00% Gross) – WINTERBROOK HOUSE BUILDING**

- **Window Cleaning** £828.00

The expenditure relates to the quarterly window cleaning.

- **External Repairs & Maintenance** £0.00

The budget provided a contingency sum for any unexpected external repairs that may need to be carried out to the structure.

- **External Maintenance** £8,874

The budget provided for any repairs required to the car park and drainage works.

- **Access Equipment** £0.00

The expenditure relates to the annual maintenance of the mansafe system in respect of the window cleaning, although no expenditure has occurred within this service charge period.

- **Site Staff Costs** £1,072.66

The figure represents the costs incurred for periodic site inspections, to organise and supervise the various contracts in place, deal with items of maintenance and ensure compliance.

- **Insurance** £0.00

The expenditure heading relates to the annual buildings insurance premium. No costs have been incurred in this service charge year.

- **Audit Fee** £3.02

The RICS Service Charge Code of Practice states that service charge accounts for commercial properties are to be independently certified on an annual basis.

- **Fire Prevention** £0.00

The cost heading provides for the maintenance contract and weekly testing of the fire alarm.



- **Security Guarding** **£5,412.00**

The cost heading provides for onsite security patrolling.

- **Building Repair** **£4,860.00**

The budget provides a contingency sum for any unexpected external repairs that may need to be carried out to the structure.

- **Management Fee** **£1,930.48**

This figure represents the costs incurred for the management of the property and the administration of the service charge. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation.

**Total** **£22,980.16**

#### ***SCHEDULE 7 (Commercial 100% Net) – FRONT CAR PARK***

- **Car Park Maintenance** **£0.00**

The budget provided for repairs to the car park surface. No expenditure was incurred during this period.

- **Cleaning & Landscaping** **£0.00**

The budget allowed for the landscaping contract, litter pick contract and a contingency sum for ad-hoc landscaping repairs and weed treatment. The expenditure came in over budget.

- **Health & Safety** **£0.00**

The budget provided for the completion of a Health & Safety Audit for the site. It was not carried out during this service charge year.

- **Site Staff Costs** **£207.95**

The figure represents the costs incurred for periodic site inspections, to organise and supervise the various contracts in place, deal with items of maintenance and ensure compliance.

- **Audit Fee** **£0.00**

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 this period were not passed to the tenants.

- **Management Fee** **£374.23**

This figure represents the costs incurred for the management of the property and the administration of the service charge. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation.



**Total**

**£3,073.44**



R. Scott

*[Handwritten signature]*

.....  
Facilities Manager

.....  
Associate Partner

Dated: 01<sup>st</sup> July 2025

Dated: 01<sup>st</sup> July 2025





**Appendix B**

**Battle Hospital, Oxford Road, Reading**

**Service Charge Variance Schedule**

**28th September 2024 to 18th March 2025**

The property is VAT registered.

<b>Service Charge Item</b>	<b>Schedule</b>	<b>Actual Spend up to 18th March 2025</b>	
Pest Control	1	£	157.57
Car Park Maintenance	1	£	1,472.58
Landscaping	1	£	2,717.46
Snow Clearance & Gritting	1	£	2,236.15
Utilities	1	£	-
M&E Maintenance	1	£	340.88
M&E Repairs	1	£	1,925.27
Health & Safety	1	£	-
Staff Site Costs	1	£	450.82
Audit Fee	1	£	-
Management Fee	1	£	811.35
<b>1 Total</b>		<b>£</b>	<b>10,112.08</b>
Cleaning	2	£	-
Building Repair	2	£	6,272.98
Health & Safety	2	£	-
Interest	2	-£	38.37
Staff Site Costs	2	£	95.88
Audit Fee	2	£	-
Management Fee	2	£	172.56
<b>2 Total</b>		<b>£</b>	<b>6,503.05</b>
Cleaning	3	£	-
Building Repair	3	£	4,190.42
Health & Safety	3	£	-
Staff Site Costs	3	£	40.89
Audit Fee	3	£	-
Management Fee	3	£	73.60
<b>3 Total</b>		<b>£</b>	<b>4,304.91</b>
Fire Prevention	4	£	441.74



Staff Site Costs	4	£	13.96
Audit Fee	4	£	-
Management Fee	4	£	25.12
<b>4 Total</b>		<b>£</b>	<b>480.82</b>
Fire Prevention	5	£	1,443.45
Staff Site Costs	5	£	45.62
Audit Fee	5	£	-
Management Fee	5	£	82.12
<b>5 Total</b>		<b>£</b>	<b>1,571.19</b>
Window Cleaning	6	£	828.00
External Maintenance	6	£	8,874.00
Access Equipment	6	£	-
Insurance	6	£	-
Onsite Security	6	£	5,412.00
Adhoc Miscellaneous/fly tipping	6	£	-
Fire Prevention/detection			
External Repairs/Maintenance	6	£	-
Building Repair	6	£	4,860.00
Staff Site Costs	6	£	1,072.66
Audit Fee	6	£	3.02
Management Fee	6	£	1,930.48
<b>6 Total</b>		<b>£</b>	<b>22,980.16</b>
Cleaning & Landscaping	7	£	3,000.00
Car Park Maintenance	7	£	3,000.00
Health & Safety	7	£	346.02
Staff Site Costs	7	£	417.64
Audit Fee	7	£	-
Management Fee	7	£	374.23
<b>7 Total</b>		<b>£</b>	<b>7,137.89</b>
Pest Control	8	£	13.14
Car Park Maintenance	8	£	127.40
Landscaping	8	£	226.68
Snow Clearance & Gritting	8	£	186.54
Utilities	8	£	-
M&E Maintenance	8	£	28.43
M&E Repairs	8	£	159.61
Health & Safety	8	£	-
Staff Site Costs	8	£	37.60
Audit Fee	8	£	-



Management Fee	8	£	67.68
<b>8 Total</b>		<b>£</b>	<b>847.08</b>