



Wing Yip Business Centre

Thimble Mill Lane

Birmingham

B7 5HD

Service Charge Expenditure Report

1<sup>st</sup> October 2020 –

30<sup>th</sup> September 2021



## **Contents**

Introduction  
The Property  
Service Charge Objectives  
VAT  
Voids and Concessions  
Banking  
Reserve Fund  
Service Charge Apportionment  
Management Team  
Expenditure Commentary  
Expenditure Approval

## **Appendices**

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

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





## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord, W Wing Yip & Brothers Property and Investments Ltd. It is intended to provide details of the expenditure for the service charge period 1<sup>st</sup> October 2020 to 30<sup>th</sup> September 2021.

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; 1<sup>st</sup> Edition.

## **The Property**

The property is located on the B4132 Thimble Mill Lane within the Nechells district of central Birmingham. It is approximately 2 miles to the north-east of Birmingham City Centre. Direct access is provided to the A38 Aston Expressway with J6 of the M6 Motorway approximately 1 mile to the north.

The Business Centre is a purpose built two storey brick building under a pitched tiled roof. It forms part of the wider Wing Yip Birmingham estate, which includes the Wing Yip Superstore, warehousing, Headquarters and associated surface car parking.

The Business Centre consists of ground floor retail style units with office/business units to the first floor. Occupiers include a mix of restaurant, retail and professional services.

The primary services provided for the property consist of the cleaning and landscaping of the communal parts, building maintenance, waste management and site security.

## **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 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, consequently the expenditure stated within this report is net of VAT.



### **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**

Following the demolition of the Wing Wah Restaurant, all units were independently re-measured with a revised apportionment basis adopted. The Service Charge Apportionment Schedule is attached at Appendix A.

Three separate schedules have been adopted. Schedule 1 provides costs for the Business Centre, Schedule 2 the refuse costs excluding the restaurant and Schedule 3 relates to the internal shared corridor for Units 2A, 3A & 3D.

Schedule One	All occupiers
Schedule Two	All occupiers except restaurant
Schedule Three	Units 2A, 3A & 3D only

The apportionment percentages are calculated based on net internal floor areas.



## **Management Team**

### **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](mailto:ian.starbuck@johnsonfellows.co.uk)

Ian Starbuck is responsible for the overall management of the property.

### **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.

### **Site Manager:**

Ashley Clayton  
Mobile: 07860 207 355

Ashley Clayton is on site one day per week and is responsible for landscaping, minor items of repair and maintenance and tenant liaison for urgent matters.

### **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.



## Expenditure Commentary

*All figures are shown net of VAT*

### **SCHEDULE 1 - Business Centre Costs - All Occupiers**

- **Estate Cleaning (Drainage) £370.00**

The budget allowed for the cleaning of the estate drains. The expenditure incurred consisted of jet washing and a CCTV survey. Overall, it was under budget.

- **Pest Control £569.76**

The cost heading is for the pest control contract for the Business Centre with Rentokil. Expenditure came in on budget.

- **External Landscaping £1,694.96**

The cost heading is the Business Centre's contribution towards the grounds maintenance and landscaping of the site as a whole. Expenditure was marginally over budget.

- **External Repairs & Maintenance £6,736.00**

The budget allowed a contingency for any ad-hoc works required to the exterior of the building. Various unforeseen roof repairs were completed during the year, resulting in the expenditure coming in over budget.

- **Electricity £1,460.87**

The cost heading relates to the electricity consumption for the common areas of the Business Centre. The expenditure was under budget.

- **M&E Maintenance Contract £2,695.07**

The expenditure heading covers the contribution towards the M&E contract and includes the testing of the external lighting, lightning conductor testing, ladders checks and life safe system. Expenditure was over the budgeted figure.

- **M&E Repairs £647.00**

The budget heading provided a contingency for repairs to the Landlord's M&E equipment. The expenditure incurred largely consists of replacement lights to the car park and the installation of new earthing resistance. Expenditure was over budget.

- **Health & Safety £934.85**

The expenditure covers the completion of the annual health & safety assessments. In addition, a medical defibrillator was installed to the site for the benefit of all. The contribution from the Business Centre has resulted in expenditure coming in above budget.



- **Staff Wages** **£4,245.00**

The expenditure heading relates to the costs of the Site Manager. The Site Manager is at the property one day per week and is responsible for litter picking, minor items of repair and maintenance and tenant liaison for urgent matters. Overall, we believe that this results in cost savings over the previous regime, whilst also improving the service. The expenditure is in line with the budget.

- **Security** **£59,475.96**

The expenditure figure is the Business Centre's contribution towards the 24/7 site security guarding. It came in above budget.

- **Professional Fees** **£6,320.00**

The expenditure was not contained within the budget, but it allowed for the preparation of a Planned Preventative Maintenance survey by a Building Surveyor. This will identify upcoming maintenance concerns and allowing us to budget and plan in advance rather than being reactionary. This is considered best practice when forecasting future expenditure.

- **Audit Fee** **£1,125.00**

The cost heading allows for the year end accounts to be certified by an independent accountant as recommended by the RICS Service Charge Professional Statement. The expenditure was marginally over budget.

- **Management Fee** **£7,694.00**

The expenditure is the costs incurred for the management of the property, administration of the service charge and completing periodic inspections. The RICS Service Charge Professional Statement recommends that this be a fixed fee, subject to annual review or indexation. The fee was in line with the budget.

- **Facilities Management** **£3,640.00**

The figure represents the costs incurred to organise and supervise the various contracts in place, deal with items of maintenance, ensuring compliance and complete regular site inspections. The expenditure is in line with the budget.

**Total**

**Schedule 1** **£97,608.47**



**SCHEDULE 2 – Refuse - All occupiers except food operators**

- **Waste Management** **£2,475.63**

The expenditure relates to the refuse collection contract for the Business Centre occupiers, with the exception of the restaurant operator, who maintains their own contract. Expenditure was marginally above budget.

**Total**

**Schedule 2** **£2,475.63**

**SCHEDULE 3 – Shared Corridor - Units 2A, 3A & 3D**

- **M&E Maintenance Contract** **£846.19**

The expenditure covers the contract cost for the testing of the fire alarm, emergency lighting checks, clock maintenance, distribution boards and main electrical intake. It was under budget.

- **M&E Repairs** **£214.00**

The budget heading provided a contingency for repairs to the Landlord’s M&E equipment. The expenditure relates to replacement lighting and the installation of new earthing resistance. It was under budget.

**Total**

**Schedule 3** **£1,060.19**

**Expenditure Approval**

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Facilities Manager

Partner

Dated 16<sup>th</sup> May 2022

Dated 16<sup>th</sup> May 2022



**Appendix A**

**Wing Yip Business Centre, Birmingham**

**Service Charge Apportionment Schedule**

**1st October 2020 - 30th September 2021**

Unit	Schedule	Area Sq Ft	Percentage
Unit 1 Gnd Fl	1	476	2.12%
Unit 2 Gnd Fl	1	649	2.89%
Unit 3 Gnd Fl	1	611	2.72%
Unit 3C Gnd Fl	1	934	4.16%
Unit 5 Gnd Fl	1	964	4.30%
Unit 6 Gnd Fl	1	815	3.63%
Unit 7 Gnd Fl	1	815	3.63%
Unit 8 Gnd Fl	1	1,013	4.51%
Unit 9 Gnd Fl	1	1,232	5.49%
Unit 10 Gnd Fl	1	724	3.23%
Unit 11 Gnd Fl	1	679	3.03%
Unit 12 Gnd Fl	1	856	3.81%
Unit 13 Gnd Fl & 13A 1st Fl	1	1,352	6.02%
Unit 15 Gnd Fl & 15A 1st Fl	1	2,484	11.07%
Unit 2A 1st Fl	1	1,355	6.04%
Unit 3A & 3D 1st Fl	1	1,433	6.38%
Unit 5A 1st Fl	1	743	3.31%
Unit 6A 1st Fl	1	684	3.05%
Unit 7A & 8A 1st Fl	1	1,551	6.91%
Unit 9A 1st Fl	1	873	3.89%
Unit 10A 1st Fl	1	756	3.37%
Unit 11A 1st Fl	1	718	3.20%
Unit 12A 1st Fl	1	727	3.24%
<b>1 Total</b>		<b>22,444</b>	<b>100.00%</b>
Unit 1 Gnd Fl	2	476	2.24%
Unit 2 Gnd Fl	2	649	3.06%
Unit 3 Gnd Fl	2	611	2.88%
Unit 3C Gnd Fl	2	934	4.40%
Unit 5 Gnd Fl	2	964	4.54%
Unit 6 Gnd Fl	2	815	3.84%
Unit 7 Gnd Fl	2	815	3.84%
Unit 8 Gnd Fl	2	1,013	4.78%
Unit 10 Gnd Fl	2	724	3.41%
Unit 11 Gnd Fl	2	679	3.20%
Unit 12 Gnd Fl	2	856	4.04%
Unit 13 Gnd Fl & 13A 1st Fl	2	1,352	6.37%
Unit 15 Gnd Fl & 15A 1st Fl	2	2,484	11.71%
Unit 2A 1st Fl	2	1,355	6.39%
Unit 3A & 3D 1st Fl	2	1,433	6.76%
Unit 5A 1st Fl	2	743	3.50%
Unit 6A 1st Fl	2	684	3.22%
Unit 7A & 8A 1st Fl	2	1,551	7.31%
Unit 9A 1st Fl	2	873	4.12%
Unit 10A 1st Fl	2	756	3.56%
Unit 11A 1st Fl	2	718	3.38%
Unit 12A 1st Fl	2	727	3.43%
<b>2 Total</b>		<b>21,212</b>	<b>100.00%</b>
Unit 2A 1st Fl	3	1,355	48.60%
Unit 3A & 3D 1st Fl	3	1,433	51.40%
<b>3 Total</b>		<b>2,788</b>	<b>100.00%</b>



## Appendix B

### Wing Yip Business Centre, Birmingham

### Service Charge Variance Schedule

### 1st October 2020 - 30th September 2021

The property is VAT registered. Figures for all schedules are shown net of VAT.

Service Charge Item	Schedule	Budget 2020-21	Expenditure 2020-21
Estate Cleaning (Drainage)	1	£ 800.00	£ 370.00
Pest Control	1	£ 570.00	£ 569.76
External Landscaping	1	£ 1,600.00	£ 1,694.96
External Repairs & Maintenance	1	£ 2,000.00	£ 6,736.00
Electricity	1	£ 2,000.00	£ 1,460.87
M&E Maintenance Contract	1	£ 2,000.00	£ 2,695.07
M&E Repairs	1	£ 500.00	£ 647.00
Health & Safety	1	£ 625.00	£ 934.85
Staff Costs	1	£ 4,245.00	£ 4,245.00
Security Guarding	1	£ 53,500.00	£ 59,475.96
Professional Costs	1	£ -	£ 6,320.00
Audit Fee	1	£ 900.00	£ 1,125.00
Management Fee	1	£ 7,694.00	£ 7,694.00
Facilities Management	1	£ 3,640.00	£ 3,640.00
<b>1 Total</b>		<b>£ 80,074.00</b>	<b>£ 97,608.47</b>
Waste Management	2	£ 2,400.00	£ 2,475.63
<b>2 Total</b>		<b>£ 2,400.00</b>	<b>£ 2,475.63</b>
M&E Maintenance Contract	3	£ 1,100.00	£ 846.19
M&E Repairs	3	£ 500.00	£ 214.00
<b>3 Total</b>		<b>£ 1,600.00</b>	<b>£ 1,060.19</b>
<b>TOTAL</b>		<b>£ 84,074.00</b>	<b>£ 101,144.29</b>



Report of the Accountants on  
the Service Charge Expenditure  
of Johnson Fellows as Agents for  
W Wing Yip & Brothers Property & Investments Limited  
Year ended 30 September 2021  
278 Thimble Mill Lane, Nechells, Birmingham.

# Accountants Report On Service Charge Expenditure Statement

## Report to the Tenants of 278 Thimble Mill Lane

We have examined the service charge statement of account (see appendix 1) in respect of 278 Thimble Mill Lane, Nechells, Birmingham for the year ended 30 September 2021 together with the books and records maintained by Johnson Fellows ("the managing agent").

Under the terms of this engagement, we were not required to, and did not, form any opinion as to either the reasonableness of the costs included within the service charge statement or the standard of the services or works provided.

## Respective responsibilities of the managing agent and accountant

The managing agent has undertaken responsibility for the preparation of the service charge statement on behalf of the tenants. It is our responsibility to form an independent opinion, based on our examination, on the service charge account and to report our opinion exclusively to the managing agent.

## Basis of opinion

Our work included an examination, of evidence relevant to the amounts included in the statement and their disclosure.

We planned and performed our examination so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the service charge statement is a fair summary of

## Basis of opinion (continued)

the costs relating to 278 Thimble Mill Lane, Nechells, Birmingham and is sufficiently supported by accounts, receipts and other documents which have been made available to us. In view of the purpose for which this service charge statement has been prepared, however, we did not evaluate the overall adequacy of the presentation of the information which would have been required if we were to express an audit opinion under International Standards on Auditing (UK) issued by the Financial Reporting Council.

## Opinion

In our opinion the service charge statement presents a fair summary of the expenditure for the year ended 30 September 2021 is sufficiently supported by accounts, receipts and other documents.



**MHA MacIntyre Hudson**  
Chartered Accountants

**Date: 9 May 2022**

SUMMARY EXPENDITURE REPORT  
 FOR THE YEAR ENDED 30 SEPTEMBER 2021  
 278 THIMBLE MILL LANE, NECHELLS, BIRMINGHAM

COST CATEGORY	EXPENSE	SCHEDULE	SCHEDULE 2	SCHEDULE 3	BUDGET	VARIANCE
	TOTAL	1				TO BUDGET
	£	£	£	£	£	£
<b>MANAGEMENT</b>						
Management fees	7,694.00	7,694.00	0.00	0.00	7,694	-
Accounting fees	1,125.00	1,125.00	0.00	0.00	900	225
Health, safety and environmental	934.85	934.85	0.00	0.00	625	310
Site management resources	7,885.00	7,885.00	0.00	0.00	7,885	0
Professional fees	6,320.00	6,320.00	0.00	0.00	0	6,320
<b>Subtotal</b>	<b>23,958.85</b>	<b>23,958.85</b>	<b>0.00</b>	<b>0.00</b>	<b>17,104</b>	<b>-6,855</b>
<b>UTILITIES</b>						
Electricity	1,460.87	1,460.87	0.00	0.00	2,000	-539
<b>Subtotal</b>	<b>1,460.87</b>	<b>1,460.87</b>	<b>0.00</b>	<b>0.00</b>	<b>2,000</b>	<b>539</b>
<b>SOFT SERVICES</b>						
Security	59,475.64	59,475.64	0.00	0.00	53,500	5,976
Cleaning and environmental	4,740.63	2,265.00	2,475.63	0.00	4,570	171
<b>Subtotal</b>	<b>64,216.27</b>	<b>61,740.64</b>	<b>2,475.63</b>	<b>0.00</b>	<b>58,070</b>	<b>-6,146</b>
<b>HARD SERVICES</b>						
Mechanical and electrical services	3,541.26	2,695.07	0.00	846.19	3,100	441
Fabric repairs and maintenance	7,967.00	7,753.00	0.00	214.00	3,800	4,167
Service charge capping costs	0.00	0.00	0.00	0.00		
<b>Subtotal</b>	<b>11,508.26</b>	<b>10,448.07</b>	<b>0.00</b>	<b>1,060.19</b>	<b>6,900</b>	<b>-4,608</b>
<b>Grand Total</b>	<b>101,144.25</b>	<b>97,608.43</b>	<b>2,475.63</b>	<b>1,060.19</b>	<b>84,074</b>	<b>-17,070</b>
Surplus funds b/f						
	<b>101,144.25</b>	<b>97,608.43</b>	<b>2,475.63</b>	<b>1,060.19</b>	<b>84,074</b>	<b>-17,070</b>