



Wing Yip Business Centre

Thimble Mill Lane

Birmingham

B7 5HD

Service Charge Expenditure Report

1<sup>st</sup> October 2022 –

30<sup>th</sup> September 2023



## **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
- C. Accountants Certification Statement

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 2022 to 30<sup>th</sup> September 2023.

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**

A Reserve Fund has been inherited from the previous regime. However, there is currently no ongoing collection within the service charge budget. The balance held at the service charge year end was £16,746.21. Funds are held in a discrete bank account in order to obtain interest. The account is maintained with Barclays Bank plc, Kidderminster branch.

The funds will be used for future major items of expenditure.



## **Service Charge Apportionment**

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.

### **Help Desk Manager:**

Charlie Scott  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0409  
Mobile: 07763 564705  
Email: [helpdesk@JohnsonFellows.co.uk](mailto:helpdesk@JohnsonFellows.co.uk)

Charlie Scott is the Help Desk Manager and is responsible for dealing with urgent reactive maintenance and repair.

### **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) £220.00**

The budget allowed for the cleaning of the estate drains. The full estate clean was not completed. The expenditure was under budget.

- **Pest Control £672.18**

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

- **External Landscaping £1,868.71**

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

- **External Repairs & Maintenance £12,078.40**

The budget allowed a contingency for any works required to the exterior of the building that would not be covered by the site manager. It also allowed for the completion of further anticipated roof repairs. The majority of the expenditure does relate to roof repairs, although overall it was under budget.

- **Electricity £927.03**

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 £468.29**

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. The contract was re-tendered during the year resulting in savings. In addition to this there was a gap between the two contracts resulting in expenditure being significantly under budget.

- **M&E Repairs £0.00**

The budget heading provided a contingency for repairs to the Landlord's M&E equipment. No M&E repairs were completed during the year.

- **Health & Safety £0.00**

The budget provided for the completion of an annual health & safety and fire risk assessment. This was not carried out during the year.



- **Staff Costs** **£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** **£40,540.20**

The expenditure figure is the Business Centre's contribution towards the 24/7 site security guarding. It came in above budget due to an increase in contract costs.

- **Help Desk** **£500.00**

24 hour/7 day a week Help Desk has been set up to allow all occupiers to speak with a dedicated operative and report urgent items of repair and maintenance. The expenditure is in line with the budget figure.

- **Audit Fee** **£650.00**

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 under budget.

- **Management Fee** **£8,470.00**

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** **£4,008.00**

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** **£74,647.81**



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

- **Waste Management** **£3,074.84**

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 above budget due to an increase in contract costs.

**Total**

**Schedule 2** **£3,074.84**

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

- **M&E Maintenance Contract** **£200.64**

The expenditure covers the contract cost for the testing of the fire alarm, emergency lighting checks, distribution boards and main electrical intake. The contract was re-tendered during the year resulting in savings. In addition to this there was a gap between the two contracts resulting in expenditure being significantly under budget.

- **M&E Repairs** **£177.00**

The budget heading provided a contingency for repairs to the Landlord's M&E equipment. Expenditure was under budget.

**Total**

**Schedule 3** **£377.64**

**Expenditure Approval**

.....

.....

Facilities Manager

Partner

Dated 7<sup>th</sup> March 2024

Dated 7<sup>th</sup> March 2024



## Appendix A

### Wing Yip Business Centre, Birmingham

### Service Charge Apportionment Schedule

### 1st October 2022 - 30th September 2023

| 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 2022 - 30th September 2023

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

| Service Charge Item            | Schedule | Budget 2022-23     | Expenditure 2022-23 |
|--------------------------------|----------|--------------------|---------------------|
| Estate Cleaning (Drainage)     | 1        | £ 800.00           | £ 220.00            |
| Pest Control                   | 1        | £ 600.00           | £ 672.18            |
| External Landscaping           | 1        | £ 1,750.00         | £ 1,868.71          |
| External Repairs & Maintenance | 1        | £ 15,000.00        | £ 12,078.40         |
| Electricity                    | 1        | £ 2,000.00         | £ 927.03            |
| M&E Maintenance Contract       | 1        | £ 2,750.00         | £ 468.29            |
| M&E Repairs                    | 1        | £ 500.00           | £ -                 |
| Health & Safety                | 1        | £ 675.00           | £ -                 |
| Security Guarding              | 1        | £ 37,000.00        | £ 40,540.20         |
| Staff Costs                    | 1        | £ 4,245.00         | £ 4,245.00          |
| Help Desk                      | 1        | £ 500.00           | £ 500.00            |
| Audit Fee                      | 1        | £ 900.00           | £ 650.00            |
| Management Fee                 | 1        | £ 8,470.00         | £ 8,470.00          |
| Facilities Management          | 1        | £ 4,008.00         | £ 4,008.00          |
| <b>1 Total</b>                 |          | <b>£ 79,198.00</b> | <b>£ 74,647.81</b>  |
| Waste Management               | 2        | £ 2,750.00         | £ 3,074.84          |
| <b>2 Total</b>                 |          | <b>£ 2,750.00</b>  | <b>£ 3,074.84</b>   |
| M&E Maintenance Contract       | 3        | £ 1,100.00         | £ 200.64            |
| M&E Repairs                    | 3        | £ 500.00           | £ 177.00            |
| <b>3 Total</b>                 |          | <b>£ 1,600.00</b>  | <b>£ 377.64</b>     |
| <b>TOTAL</b>                   |          | <b>£ 83,548.00</b> | <b>£ 78,100.29</b>  |



**Appendix C**

---

**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**

**BUSINESS CENTRE, THIMBLE MILL LANE**

**STATEMENT OF SERVICE CHARGE EXPENDITURE**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

---



**bennett whitehouse**  
CHARTERED ACCOUNTANTS



---

**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
BUSINESS CENTRE, THIMBLE MILL LANE**

---

We have reviewed the accompanying statement of service charge expenditure for Business Centre for the year ended 30 September 2023 and a summary of significant accounting policies and notes to the service charge expenditure report set out on page 7 to 8. The statement of service charge expenditure has been prepared by Johnson Fellows LLP in accordance with guidance issued by the RICS to supplement the RICS code of Practice, Service Charges in Commercial Property (the code).

**Managing Agent's responsibility for the statement of service charge expenditure**

Johnson Fellows LLP are responsible for the preparation of the statement of service charge expenditure and for such internal controls as they determine are necessary to determine the preparation of statements that are free from material misstatement, whether due to fraud or error.

**Reporting Accountants' responsibility**

Our responsibility is to express a conclusion on the statement of service charge expenditure based on the procedures we have performed and the evidence we have obtained. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the statement of service charge expenditure, taken as a whole, is not prepared in all material respects in accordance with the provisions of the Code of Practice 'Service Charges in Commercial Property' issued by RICS. ISRE 2400 (Revised) also requires us to comply with relevant ethical requirements.

A review of statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance assignment. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the statement of service charge expenditure. As the reporting accountant we have performed the following procedures:

- checked whether entries in the accounting records are supported by invoices, receipts, other documentation or evidence
- made enquiries of management and others responsible for the services that comprise the service charge on this property
- applied analytical procedures.

The procedures do not include a review of the allocation or apportionment of service charge expenditure to occupiers.



---

**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
BUSINESS CENTRE, THIMBLE MILL LANE**

---

**Conclusion**

Our report is made in accordance with the terms of our engagement and is intended solely for Johnson Fellows LLP for issue to current occupiers and the landlord. This report should not be distributed to or used by other parties. Our work has been undertaken to enable us to make this report to Johnson Fellows LLP and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than Johnson Fellows LLP in connection with the report of this engagement.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that cause us to believe that the statement of service charge expenditure is not prepared, in all material respects, in accordance with the provisions of the Code of Practice 'Service Charges in Commercial Property' issued by the RICS.

On the basis of information and explanations provided to us by Johnson Fellows LLP, in our opinion, the expenditure incurred and to be incurred by the Lessor for the year ended 30 September 2023 was £78,100.29 exclusive of VAT.

**BENNETT WHITEHOUSE SERVICE CHARGE LIMITED**

Chartered Accountants  
1st Floor  
Waterfront One  
Waterfront Business Park  
Brierley Hill  
West Midlands  
DYS 1LX

8 February 2024



---

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
BUSINESS CENTRE, THIMBLE MILL LANE  
SERVICE CHARGE EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

---

| Total All Schedules                        | Actual<br>2023<br>£ | Budget<br>2023<br>£ | Budget<br>Variance<br>£ | Prior<br>Period<br>£ | Prior<br>Variance<br>£ |
|--|---------------------|---------------------|-------------------------|----------------------|------------------------|
| Schedule 1 All Occupiers                   | 74,647.81           | 79,198.00           | (4,550.19)              | 69,880.84            | 4,766.97               |
| Schedule 2 All Occupiers Except Unit 6 & 9 | 3,074.84            | 2,750.00            | 324.84                  | 3,184.82             | (109.98)               |
| Schedule 3 Units 2A, 3A & 3D Only          | 377.64              | 1,800.00            | (1,222.36)              | 1,028.57             | (650.93)               |
| <b>TOTAL ALL SCHEDULES</b>                 | <b>78,100.29</b>    | <b>83,748.00</b>    | <b>(5,647.71)</b>       | <b>74,094.23</b>     | <b>4,006.06</b>        |

For breakdown of all schedules see pages 4 to 6

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
 BUSINESS CENTRE, THIMBLE MILL LANE  
 SERVICE CHARGE EXPENDITURE ACCOUNT  
 FOR THE YEAR ENDED 30 SEPTEMBER 2023

| Schedule 1 - All Occupiers                          | Actual<br>2023<br>£ | Budget<br>2023<br>£ | Budget<br>Variance<br>£ | Prior<br>Period<br>£ | Prior<br>Variance<br>£ |
|---|---------------------|---------------------|-------------------------|----------------------|------------------------|
| <b>MANAGEMENT</b>                                   |                     |                     |                         |                      |                        |
| <b>Management fees</b>                              |                     |                     |                         |                      |                        |
| Management fees                                     | 8,470.00            | 8,470.00            | -                       | 7,991.00             | 479.00                 |
| <b>Accounting fees</b>                              |                     |                     |                         |                      |                        |
| Accountancy fees                                    | 650.00              | 900.00              | (250.00)                | 650.00               | -                      |
| <b>Site management resources</b>                    |                     |                     |                         |                      |                        |
| Helpdesk fees                                       | 500.00              | 500.00              | -                       | -                    | 500.00                 |
| Facilities management                               | 4,008.00            | 4,008.00            | -                       | 3,781.00             | 227.00                 |
| Building manager                                    | 4,245.00            | 4,245.00            | -                       | 4,244.97             | 0.03                   |
| <b>Health, safety and environmental</b>             |                     |                     |                         |                      |                        |
| Health and safety                                   | -                   | 675.00              | (675.00)                | 675.00               | (675.00)               |
| <b>UTILITIES</b>                                    |                     |                     |                         |                      |                        |
| <b>Electricity</b>                                  |                     |                     |                         |                      |                        |
| Electricity   | 927.00              | 2,000.00            | (1,072.97)              | 1,275.45             | (348.42)               |
| <b>SOFT SERVICES</b>                                |                     |                     |                         |                      |                        |
| <b>Security</b>                                     |                     |                     |                         |                      |                        |
| Security guarding                                   | 40,540.20           | 37,000.00           | 3,540.20                | 37,294.83            | 3,245.37               |
| <b>Cleaning and environmental</b>                   |                     |                     |                         |                      |                        |
| Pest control  | 672.18              | 600.00              | 72.18                   | 581.16               | 91.02                  |
| Landscaping   | 1,868.71            | 1,750.00            | 118.71                  | 1,929.96             | (61.25)                |
| <b>HARD SERVICES</b>                                |                     |                     |                         |                      |                        |
| <b>Mechanical and electrical services (M&amp;E)</b> |                     |                     |                         |                      |                        |
| M&E maintenance contract                            | 468.29              | 2,750.00            | (2,281.71)              | 2,817.57             | (2,349.28)             |
| M&E repairs   | -                   | 500.00              | (500.00)                | 808.00               | (808.00)               |
| <b>Fabric repairs and maintenance</b>               |                     |                     |                         |                      |                        |
| External repairs and maintenance                    | 12,078.40           | 15,000.00           | (2,921.60)              | 7,741.90             | 4,336.50               |
| Drainage repairs and maintenance                    | 220.00              | 800.00              | (580.00)                | 90.00                | 130.00                 |
| <b>SCHEDULE 1 - ALL OCCUPIERS TOTAL</b>             | <b>74,647.81</b>    | <b>79,198.00</b>    | <b>(4,550.19)</b>       | <b>69,880.84</b>     | <b>4,766.97</b>        |



---

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
BUSINESS CENTRE, THIMBLE MILL LANE  
SERVICE CHARGE EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

---

| Schedule 2 - All Occupiers Except Unit 6 & 9                  | Actual<br>2023<br>£ | Budget<br>2023<br>£ | Budget<br>Variance<br>£ | Prior<br>Period<br>£ | Prior<br>Variance<br>£ |
|---|---------------------|---------------------|-------------------------|----------------------|------------------------|
| <b>SOFT SERVICES</b>  |                     |                     |                         |                      |                        |
| Cleaning and environmental<br>Waste management                | 3,074.84            | 2,750.00            | 324.84                  | 3,184.82             | (109.98)               |
| <b>SCHEDULE 2 - ALL OCCUPIERS EXCEPT UNIT 6 &amp; 9 TOTAL</b> | <b>3,074.84</b>     | <b>2,750.00</b>     | <b>324.84</b>           | <b>3,184.82</b>      | <b>(109.98)</b>        |



---

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
BUSINESS CENTRE, THIMBLE MILL LANE  
SERVICE CHARGE EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

---

| Schedule 3 - Units 2A, 3A & 3D Only                  | Actual<br>2023 | Budget<br>2023  | Budget<br>Variance | Prior<br>Period | Prior<br>Variance |
|--|----------------|-----------------|--------------------|-----------------|-------------------|
|  | £              | £               | £                  | £               | £                 |
| <b>HARD SERVICES</b>                                 |                |                 |                    |                 |                   |
| Mechanical and electrical services (M&E)             |                |                 |                    |                 |                   |
| M&E maintenance contract                             | 203.64         | 1,100.00        | (896.36)           | 1,028.57        | (827.93)          |
| M&E repairs  | 177.00         | 500.00          | (323.00)           | -               | 177.00            |
| <b>SCHEDULE 3 - UNITS 2A, 3A &amp; 3D ONLY TOTAL</b> | <b>377.64</b>  | <b>1,600.00</b> | <b>(1,222.36)</b>  | <b>1,028.57</b> | <b>(845.93)</b>   |



---

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
BUSINESS CENTRE, THIMBLE MILL LANE  
NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

---

**1 Accounting policies**

The accounts are prepared in accordance with the provisions of the lease and on the accruals basis.

**2 Bank account**

Service charge money was held at Barclays in a client account under the title Johnson Fellows LLP Client Account. Any interest earned on the funds is retained by Johnson Fellows as per the management agreement

**3 VAT**

The property is elected for VAT purposes and therefore all service charge expenditure stated is exclusive of VAT.

**4 Management fees**

Johnson Fellows LLP are appointed to manage the common areas of the property. The management fee charged solely for the management of the service charge for the year ended 30 September 2023 was agreed at a fixed fee of £8,470.00. The management fee is reviewed annually. Asset management and rent collection costs are excluded from the service charge management fee.

Total employment costs of the on site manager and their assistant is included within the service charge expenditure.

Summary of all fees charged by the managing agent -

|                 | <b>2023</b> |
|-----------------|-------------|
|                 | <b>£</b>    |
| Management fees | 8,470.00    |

---

**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**BUSINESS CENTRE, THIMBLE MILL LANE**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

---

**5 Accruals**

The accruals included in the service charge expenditure relate to goods and services actually incurred within the year ended 30 September 2023, but no invoice had been received at the year end date.

| Sch Code                            | £               |
|-------------------------------------|-----------------|
| 01 Accountancy fees                 | 650.00          |
| 01 Electricity                      | 160.00          |
| 01 Landscaping                      | 150.83          |
| 01 External Repairs and maintenance | 7,000.00        |
| 01 M&E Maintenance Contract         | 122.84          |
| 03 M&E Maintenance Contract         | 52.68           |
|                                     | <b>8,136.33</b> |

**6 Empty units and concessions granted to tenants**

Where appropriate, costs are apportioned on a daily basis and for the avoidance of doubt it is confirmed that the landlord bears an appropriate proportion of the service charge expenditure in respect of voids and vacant premises.

Likewise, if any tenant has any form of concession, whereby their contribution towards the service charge is capped, or is lower than the apportionment due, the landlord pays the difference.

**7 Sinking funds**

The sinking fund has been set up to cover major costs to be incurred at the property. It is kept within a separate client bank account, with Barclays Bank PLC and is interest bearing.

|  | 2023<br>£        | 2022<br>£        |
|--|------------------|------------------|
| Balance brought forward at 1 October 2022    | 16,677.15        | 16,675.05        |
| Interest received                            | 69.06            | 2.10             |
| Balance carried forward at 30 September 2023 | <b>16,746.21</b> | <b>16,677.15</b> |

---

**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**BUSINESS CENTRE, THIMBLE MILL LANE**  
**STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

---



**bennett whitehouse**

CHARTERED ACCOUNTANTS

---

**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
BUSINESS CENTRE, THIMBLE MILL LANE**

---

We have reviewed the accompanying statement of service charge expenditure for Business Centre for the year ended 30 September 2023 and a summary of significant accounting policies and notes to the service charge expenditure report set out on page 7 to 8. The statement of service charge expenditure has been prepared by Johnson Fellows LLP in accordance with guidance issued by the RICS to supplement the RICS code of Practice, Service Charges in Commercial Property (the code).

**Managing Agent's responsibility for the statement of service charge expenditure**

Johnson Fellows LLP are responsible for the preparation of the statement of service charge expenditure and for such internal controls as they determine are necessary to determine the preparation of statements that are free from material misstatement, whether due to fraud or error.

**Reporting Accountants' responsibility**

Our responsibility is to express a conclusion on the statement of service charge expenditure based on the procedures we have performed and the evidence we have obtained. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the statement of service charge expenditure, taken as a whole, is not prepared in all material respects in accordance with the provisions of the Code of Practice 'Service Charges in Commercial Property' issued by RICS. ISRE 2400 (Revised) also requires us to comply with relevant ethical requirements.

A review of statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance assignment. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the statement of service charge expenditure. As the reporting accountant we have performed the following procedures:

- checked whether entries in the accounting records are supported by invoices, receipts, other documentation or evidence
- made enquiries of management and others responsible for the services that comprise the service charge on this property
- applied analytical procedures.

The procedures do not include a review of the allocation or apportionment of service charge expenditure to occupiers.

---

**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
BUSINESS CENTRE, THIMBLE MILL LANE**

---

**Conclusion**

Our report is made in accordance with the terms of our engagement and is intended solely for Johnson Fellows LLP for issue to current occupiers and the landlord. This report should not be distributed to or used by other parties. Our work has been undertaken to enable us to make this report to Johnson Fellows LLP and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than Johnson Fellows LLP in connection with the report of this engagement.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that cause us to believe that the statement of service charge expenditure is not prepared, in all material respects, in accordance with the provisions of the Code of Practice 'Service Charges in Commercial Property' issued by the RICS.

On the basis of information and explanations provided to us by Johnson Fellows LLP, in our opinion, the expenditure incurred and to be incurred by the Lessor for the year ended 30 September 2023 was £78,100.29 exclusive of VAT.



**BENNETT WHITEHOUSE SERVICE CHARGE LIMITED**  
Chartered Accountants  
1st Floor  
Waterfront One  
Waterfront Business Park  
Brierley Hill  
West Midlands  
DY5 1LX

**8 February 2024**

---

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
BUSINESS CENTRE, THIMBLE MILL LANE  
SERVICE CHARGE EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

---

| Total All Schedules                        | Actual<br>2023<br>£ | Budget<br>2023<br>£ | Budget<br>Variance<br>£ | Prior<br>Period<br>£ | Prior<br>Variance<br>£ |
|--|---------------------|---------------------|-------------------------|----------------------|------------------------|
| Schedule 1 All Occupiers                   | 74,647.81           | 79,198.00           | (4,550.19)              | 69,880.84            | 4,766.97               |
| Schedule 2 All Occupiers Except Unit 6 & 9 | 3,074.84            | 2,750.00            | 324.84                  | 3,184.82             | (109.98)               |
| Schedule 3 Units 2A, 3A & 3D Only          | 377.64              | 1,600.00            | (1,222.36)              | 1,028.57             | (650.93)               |
| <b>TOTAL ALL SCHEDULES</b>                 | <b>78,100.29</b>    | <b>83,548.00</b>    | <b>(5,447.71)</b>       | <b>74,094.23</b>     | <b>4,006.06</b>        |

For breakdown of all schedules see pages 4 to 6

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
 BUSINESS CENTRE, THIMBLE MILL LANE  
 SERVICE CHARGE EXPENDITURE ACCOUNT  
 FOR THE YEAR ENDED 30 SEPTEMBER 2023

| Schedule 1 - All Occupiers                          | Actual<br>2023<br>£ | Budget<br>2023<br>£ | Budget<br>Variance<br>£ | Prior<br>Period<br>£ | Prior<br>Variance<br>£ |
|---|---------------------|---------------------|-------------------------|----------------------|------------------------|
| <b>MANAGEMENT</b>                                   |                     |                     |                         |                      |                        |
| <b>Management fees</b>                              |                     |                     |                         |                      |                        |
| Management fees                                     | 8,470.00            | 8,470.00            | -                       | 7,991.00             | 479.00                 |
| <b>Accounting fees</b>                              |                     |                     |                         |                      |                        |
| Accountancy fees                                    | 650.00              | 900.00              | (250.00)                | 650.00               | -                      |
| <b>Site management resources</b>                    |                     |                     |                         |                      |                        |
| Helpdesk fees                                       | 500.00              | 500.00              | -                       | -                    | 500.00                 |
| Facilities management.                              | 4,008.00            | 4,008.00            | -                       | 3,781.00             | 227.00                 |
| Building manager                                    | 4,245.00            | 4,245.00            | -                       | 4,244.97             | 0.03                   |
| <b>Health,safety and environmental</b>              |                     |                     |                         |                      |                        |
| Health and safety                                   | -                   | 675.00              | (675.00)                | 675.00               | (675.00)               |
| <b>UTILITIES</b>                                    |                     |                     |                         |                      |                        |
| <b>Electricity</b>                                  |                     |                     |                         |                      |                        |
| Electricity   | 927.03              | 2,000.00            | (1,072.97)              | 1,275.45             | (348.42)               |
| <b>SOFT SERVICES</b>                                |                     |                     |                         |                      |                        |
| <b>Security</b>                                     |                     |                     |                         |                      |                        |
| Security guarding                                   | 40,540.20           | 37,000.00           | 3,540.20                | 37,294.83            | 3,245.37               |
| <b>Cleaning and environmental</b>                   |                     |                     |                         |                      |                        |
| Pest control  | 672.18              | 600.00              | 72.18                   | 581.16               | 91.02                  |
| Landscaping   | 1,868.71            | 1,750.00            | 118.71                  | 1,929.96             | (61.25)                |
| <b>HARD SERVICES</b>                                |                     |                     |                         |                      |                        |
| <b>Mechanical and electrical services (M&amp;E)</b> |                     |                     |                         |                      |                        |
| M&E maintenance contract                            | 468.29              | 2,750.00            | (2,281.71)              | 2,817.57             | (2,349.28)             |
| M&E repairs   | -                   | 500.00              | (500.00)                | 808.00               | (808.00)               |
| <b>Fabric repairs and maintenance</b>               |                     |                     |                         |                      |                        |
| External repairs and maintenance                    | 12,078.40           | 15,000.00           | (2,921.60)              | 7,741.90             | 4,336.50               |
| Drainage repairs and maintenance                    | 220.00              | 800.00              | (580.00)                | 90.00                | 130.00                 |
| <b>SCHEDULE 1 - ALL OCCUPIERS TOTAL</b>             | <b>74,647.81</b>    | <b>79,198.00</b>    | <b>(4,550.19)</b>       | <b>69,880.84</b>     | <b>4,766.97</b>        |

---

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
BUSINESS CENTRE, THIMBLE MILL LANE  
SERVICE CHARGE EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

---

| Schedule 2 - All Occupiers Except Unit 6 & 9                  | Actual<br>2023<br>£ | Budget<br>2023<br>£ | Budget<br>Variance<br>£ | Prior<br>Period<br>£ | Prior<br>Variance<br>£ |
|---|---------------------|---------------------|-------------------------|----------------------|------------------------|
| <b>SOFT SERVICES</b>  |                     |                     |                         |                      |                        |
| <b>Cleaning and environmental</b>                             |                     |                     |                         |                      |                        |
| Waste management  | 3,074.84            | 2,750.00            | 324.84                  | 3,184.82             | (109.98)               |
| <b>SCHEDULE 2 - ALL OCCUPIERS EXCEPT UNIT 6 &amp; 9 TOTAL</b> | <b>3,074.84</b>     | <b>2,750.00</b>     | <b>324.84</b>           | <b>3,184.82</b>      | <b>(109.98)</b>        |

**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**BUSINESS CENTRE, THIMBLE MILL LANE**  
**SERVICE CHARGE EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

| Schedule 3 - Units 2A, 3A & 3D Only                  | Actual<br>2023<br>£ | Budget<br>2023<br>£ | <i>Budget<br/>Variance</i><br>£ | Prior<br>Period<br>£ | <i>Prior<br/>Variance</i><br>£ |
|--|---------------------|---------------------|---------------------------------|----------------------|--------------------------------|
| <b>HARD SERVICES</b>                                 |                     |                     |                                 |                      |                                |
| <b>Mechanical and electrical services (M&amp;E)</b>  |                     |                     |                                 |                      |                                |
| M&E maintenance contract                             | 200.64              | 1,100.00            | (899.36)                        | 1,028.57             | (827.93)                       |
| M&E repairs  | 177.00              | 500.00              | (323.00)                        | -                    | 177.00                         |
| <b>SCHEDULE 3 - UNITS 2A, 3A &amp; 3D ONLY TOTAL</b> | <b>377.64</b>       | <b>1,600.00</b>     | <b>(1,222.36)</b>               | <b>1,028.57</b>      | <b>(650.93)</b>                |

---

**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**BUSINESS CENTRE, THIMBLE MILL LANE**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

---

**1 Accounting policies**

The accounts are prepared in accordance with the provisions of the lease and on the accruals basis.

**2 Bank account**

Service charge money was held at Barclays in a client account under the title Johnson Fellows LLP Client Account. Any interest earned on the funds is retained by Johnson Fellows as per the management agreement

**3 VAT**

The property is elected for VAT purposes and therefore all service charge expenditure stated is exclusive of VAT.

**4 Management fees**

Johnson Fellows LLP are appointed to manage the common areas of the property. The management fee charged solely for the management of the service charge for the year ended 30 September 2023 was agreed at a fixed fee of £8,470.00. The management fee is reviewed annually. Asset management and rent collection costs are excluded from the service charge management fee.

Total employment costs of the on site manager and their assistant is included within the service charge expenditure.

Summary of all fees charged by the managing agent -

|                 | <b>2023</b> |
|-----------------|-------------|
|                 | <b>£</b>    |
| Management fees | 8,470.00    |

**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**BUSINESS CENTRE, THIMBLE MILL LANE**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**5 Accruals**

The accruals included in the service charge expenditure relate to goods and services actually incurred within the year ended 30 September 2023, but no invoice had been received at the year end date.

| <b>Sch Code</b>                     | <b>£</b>        |
|-------------------------------------|-----------------|
| 01 Accountancy fees                 | 650.00          |
| 01 Electricity                      | 160.00          |
| 01 Landscaping                      | 150.83          |
| 01 External Repairs and maintenance | 7,000.00        |
| 01 M&E Maintenance Contract         | 122.84          |
| 03 M&E Maintenance Contract         | 52.66           |
|                                     | <b>8,136.33</b> |
|                                     | <b>8,136.33</b> |

**6 Empty units and concessions granted to tenants**

Where appropriate, costs are apportioned on a daily basis and for the avoidance of doubt it is confirmed that the landlord bears an appropriate proportion of the service charge expenditure in respect of voids and vacant premises.

Likewise, if any tenant has any form of concession, whereby their contribution towards the service charge is capped, or is lower than the apportionment due, the landlord pays the difference.

**7 Sinking funds**

The sinking fund has been set up to cover major costs to be incurred at the property. It is kept within a separate client bank account, with Barclays Bank PLC and is interest bearing.

|   | <b>2023</b>      | <b>2022</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| Balance brought forward at 1 October 2022 | 16,677.15        | 16,675.05        |
| Interest received                         | 69.06            | 2.10             |
|   | <b>16,746.21</b> | <b>16,677.15</b> |
|   | <b>16,746.21</b> | <b>16,677.15</b> |