



JOHNSON FELLOWS
CHARTERED SURVEYORS

Wing Yip Business Centre

Oldham Road

Manchester

M4 5HU

Service Charge Budget Report

1st October 2023 –

30th September 2024



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





Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, W Wing Yip & Brothers Property and Investments Ltd. It is intended to provide details of the planned expenditure for the service charge period 1st October 2023 to 30th September 2024.

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 on the A62 Oldham Road, approximately 500m to the north east of Manchester City Centre. Oldham Road is one of the main arterial routes into Manchester. Links to the Motorway network are via J22 of the M60, 2 miles to the east.

The Business Centre adjoins the Wing Yip Superstore and forms an integral part of the same site along with a multi-storey car park. Access to the site is via Cassidy Close.

The Business Centre itself is a four storey brick building under a pitched tiled roof. It consists of multiple business units and a restaurant arranged over the 1st, 2nd and 3rd Floors. It has a dedicated entrance lobby leading to a passenger lift and central staircase. Access to the car park is provided at each level.

The primary services provided for the property consist of internal and external cleaning of the communal parts, utility consumption, lift maintenance, site security and maintenance.

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 budget report is to provide a clear explanation for the recovery 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 tenants to budget accurately for the forthcoming period.

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 end of the previous service charge year was £3,504.07. 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 apportionment is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

The budget contains a single schedule that all occupiers contribute towards.

The apportionment percentages are calculated based on gross internal floor areas. However, a weighting is applied to the contribution made by the Cash and Carry Store due to its significantly larger floor area. Similarly, following professional advice, a weighting is provided to the restaurant premises due to the intensity of use.

A full independent measured survey has been completed in order to verify the 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

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

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

Help Desk Manager:

Hardeep Sandhar
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0409
Mobile: 07763 564705
Email: helpdesk@JohnsonFellows.co.uk

Hardeep Sandhar is the Help Desk Manager and is responsible for dealing with urgent reactive maintenance and repair.

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.



Budget Commentary

All figures are shown net of VAT

SCHEDULE 1 - Business Centre Costs - All Occupiers

- **Internal Cleaning** **£14,500.00**

The cost heading is for the cleaning contract for the internal communal areas of the Business Centre including the WC's. The contractor attends 2 hours per day. The budget also includes toilet requisites. It has been increased in line with the contract costs.

- **Pest Control** **£2,600.00**

The budget heading is for the pest control at the Business Centre. It includes the contract costs with Rentokil and a quarterly pigeon cull. It has been increased slightly in line with last year's expenditure.

- **Window Cleaning** **£2,200.00**

The budget covers the cost of the window cleaning contract for the Business Centre based on quarterly visits. It has been maintained at the same level.

- **Estate Cleaning (Drainage)** **£3,000.00**

The expenditure is the estimated contribution towards the annual drainage flush through at the estate. There is also a contingency for ad-hoc repairs. It has been increased based on last years expenditure.

- **External Landscaping/Cleaning** **£5,700.00**

This budget heading covers the cost of the external cleaning and landscaping. It has been increased for the new year as it also now provides for a quarterly pressure wash of the car parking areas.

- **Gritting** **£2,000.00**

This is a new cost heading. It allows for the gritting contract for the communal areas of the estate during the winter months.

- **External Repairs & Maintenance** **£9,750.00**

The estimated expenditure is a contribution towards the repair and maintenance of any external building items. The budget has been maintained at the same level and allows for the completion of essential resurfacing works to the car park. These were proposed in the previous year but were not carried out due to expenditure being placed elsewhere.



- **Internal Repairs & Maintenance** **£5,000.00**

The cost heading provides a contingency sum for any unforeseen repairs and maintenance to the internal communal areas. It has been increased for the new year as it also includes a provision to complete re-decoration works.

- **Electricity** **£32,000.00**

The cost heading relates to the electricity consumption within the common areas of the estate. The budget has been increased for the new year based on last year's expenditure.

- **Gas** **£6,000.00**

The budget relates to the gas consumption for the heating of the Business Centre. The budget has been reduced for the new year based on last year's expenditure and the stabilisation of utility costs.

- **Water Charges** **£2,000.00**

The estimated expenditure relates to the water rates for the Business Centre. The budget has been maintained at the same level.

- **Lift Maintenance Contract** **£1,040.00**

The cost heading is for the annual maintenance contract for the passenger lift within the Business Centre. The contract consists of 6 visits per annum. It also includes the expense of the BT alarm line. The budget figure has been maintained at the same level.

- **Lift Repairs** **£4,000.00**

The heading allows a contingency sum for any unforeseen repairs that are required to the lift during the year. The budget has been increased based on last year's expenditure and the knowledge that further works are required.

- **M&E Maintenance Contract** **£6,900.00**

The cost heading covers the contract cost for the weekly testing of the fire alarm, lightning protection, emergency lighting and boiler service. It has been increased based on the current contract rates.

- **M&E Repairs** **£6,000.00**

The budget heading provides a contingency for repairs to the Landlord's M&E equipment. It has been maintained at the same level.

- **Security Systems** **£1,000.00**

The budget heading covers the cost of the annual CCTV maintenance contract, plus a contingency for repairs. It has been reduced following the installation of additional equipment last year.



- **Health & Safety** **£750.00**

The budget covers the costs of completing the health and safety and fire risk assessments. It has been reduced now that the water risk assessment is included within the M&E contract.

- **Security Guarding** **£135,000.00**

The budget figure is the cost of the 24/7 site security guarding. It has been increased based on last year's expenditure and the increase in the contract rates.

- **Help Desk** **£500.00**

A 24 hour/7 day a week Help Desk is in place to allow all occupiers to speak with a dedicated operative and report urgent items of repair and maintenance. This will ensure that matters can be handled promptly without delay. The budget cost has been maintained at the same level.

- **Audit Fee** **£900.00**

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 budget has been maintained at the same level.

- **Management Fee** **£10,354.00**

This figure represents 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 Retail Price Index has shown an 10.71% increase in the past 12 months.

- **Facilities Management** **£5,069.00**

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 fee is fixed subject to annual indexation. The Retail Price Index has shown an 10.71% increase in the past 12 months.

Total

Schedule 1 **£256,263.00**



Budget Approval

A handwritten signature in black ink, appearing to read 'C. Lantieri'.

A handwritten signature in black ink, appearing to read 'Paul Starbuck'.

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Facilities Manager

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Partner

Dated 1st September 2023

Dated 1st September 2023



Appendix A

Wing Yip Business Centre, Manchester

Service Charge Apportionment Schedule

1st October 2023 - 30th September 2024

Unit	Schedule	Area Sq Ft	Weighted Area Sq Ft	Weighted %	Existing %
Cash & Carry Store	1	47,681	19,230	48.22%	45.00%
Units 2A & 2D	1	1,958	1,973	4.95%	4.71%
Units 3 & 3A	1	11,222	14,925	37.43%	36.00%
Unit 3B	1	490	490	1.23%	1.18%
Unit 3C	1	746	746	1.87%	1.77%
Unit 3D	1	670	670	1.68%	1.68%
Unit 3E	1	645	645	1.62%	1.61%
Unit 3F	1	1,198	1,198	3.00%	2.72%
1 Total		64,610	39,877.00	100.00%	94.67%

Floor areas measured on a GIA basis
 Weighted area for Cash & Carry based on 100% for first 10,000 sq ft, 50% for second 10,000 sq ft, 25% for third 10,000 sq ft, 12.5% for fourth 10,000 sq ft and 6.25% for fifth 10,000 sq ft
 Weighted area for restaurant increased by one third due to intensity of use following professional advice



Appendix B

Wing Yip Business Centre, Manchester

Service Charge Variance Schedule

1st October 2023 - 30th September 2024

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

Service Charge Item	Schedule	Budget 2022-23	Budget 2023-24
Internal Cleaning	1	£ 14,000.00	£ 14,500.00
Pest Control	1	£ 2,500.00	£ 2,600.00
Window Cleaning	1	£ 2,200.00	£ 2,200.00
Estate Cleaning (Drainage)	1	£ 2,500.00	£ 3,000.00
External Landscaping	1	£ 4,500.00	£ 5,700.00
Gritting	1	£ -	£ 2,000.00
External Repairs & Maintenance	1	£ 9,750.00	£ 9,750.00
Internal Repairs & Maintenance	1	£ 2,000.00	£ 5,000.00
Electricity	1	£ 30,000.00	£ 32,000.00
Gas	1	£ 6,500.00	£ 6,000.00
Water Charges	1	£ 2,000.00	£ 2,000.00
Lift Maintenance Contract	1	£ 1,040.00	£ 1,040.00
Lift Repairs	1	£ 3,000.00	£ 4,000.00
M&E Maintenance Contract	1	£ 6,500.00	£ 6,900.00
M&E Repairs	1	£ 6,000.00	£ 6,000.00
Security Systems	1	£ 2,500.00	£ 1,000.00
Health & Safety	1	£ 1,500.00	£ 750.00
Security Guarding	1	£ 130,000.00	£ 135,000.00
Help Desk	1	£ 500.00	£ 500.00
Audit Fee	1	£ 900.00	£ 900.00
Management Fee	1	£ 9,352.00	£ 10,354.00
Facilities Management	1	£ 4,579.00	£ 5,069.00
1 Total		£ 241,821.00	£ 256,263.00