



Wing Yip Business Centre

Oldham Road

Manchester

M4 5HU

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 incurred 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 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 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> 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 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, 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 was inherited from the previous regime, with no ongoing contributions. The full balance of £3,504.07 was credited to the service charge during the year in order to offset some of the unforeseen expenditure relating to the replacement of the fire alarm panel.



### **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 was completed in advance of the service charge year 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](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.

### **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**

- **Internal Cleaning** **£14,088.80**

The expenditure relates to the cleaning contract for the communal areas of the Business Centre including the WC's. The contractor attends 2 hours per day. Expenditure was fractionally over budget.

- **Pest Control** **£2,794.30**

The budget heading allowed for the pest control contract for the Business Centre with Rentokil, plus an allowance to complete further pigeon preventative measures. The expenditure was above budget.

- **Window Cleaning** **£2,218.07**

The expenditure covers the window cleaning contract for the Business Centre based on monthly visits. Expenditure was fractionally over budget.

- **Drain Maintenance** **£8,361.61**

The budget allowed for the annual drainage flush through at the estate. Unfortunately we also incurred significant expense in dealing with drainage blockages and repairs during the year. The expenditure was therefore above budget.

- **External Landscaping** **£5,206.96**

A decision was taken at the commencement of the service charge year to replace the role of the site manager with additional external cleaning services. It was felt that this offered better value for money whilst improving the appearance of the site. The expenditure was above budget due to the inclusion of additional jet washing and weed treatment.

- **External Repairs & Maintenance** **£6,342.71**

The budget allowed a contingency for any repairs and maintenance to exterior of the building and common parts. It also allowed for the commencement of the re-coating and re-lining of the car park. The car park works were not completed due to overspends in other areas and the need to direct funds elsewhere. The expenditure was therefore under budget, but included numerous smaller items such as roof repairs.

- **Internal Repairs & Maintenance** **£6,148.31**

The cost heading provided a contingency sum for any unforeseen repairs and maintenance to the internal communal areas. Various works were completed, mainly within the communal toilets, including pipework repairs. The expenditure was over the budget figure.



- **Electricity** **£38,903.33**

The expenditure relates to the electricity consumption for the common areas of the estate. The consumption relating to the tenanted areas is recharged separately following the monitoring of sub meter readings. Overall the expenditure was above the budget figure.

- **Gas** **£4,949.39**

The expenditure relates to the gas consumption for the heating of the Business Centre. The total expenditure was below the budgeted figure.

- **Water Charges** **£1,520.26**

The cost heading relates to the water rates for the Business Centre. The expenditure was below the budgeted figure.

- **Lift Maintenance Contract** **£1,318.49**

The budget allowed for the annual maintenance contract for the passenger lift within the Business Centre. The expenditure has come in above budget largely due to higher than anticipated BT alarm line costs.

- **Lift Repairs** **£6,354.82**

The budget allowed a contingency sum for any unforeseen lift repairs. Various repairs were completed, most notably a motor repair. As a result, the total expenditure came in over budget.

- **M&E Maintenance Contract** **£7,175.14**

The expenditure relates to the contract cost for the weekly testing of the fire alarm, lightning protection, emergency lighting and boiler service. The expenditure was above budget.

- **M&E Repairs** **£19,882.47**

The budget provided a contingency for repairs to the Landlord's M&E equipment. Unfortunately, we were required to replace the fire alarm panel, which was an unforeseen expense of circa £15,000. As a result, the expenditure was significantly above the budget figure. The balance of the reserve fund (£3,504.07) was credited to the service charge in order to offset some of the cost.

- **Security Equipment** **£982.00**

The budget allowed for the annual CCTV maintenance contract and for the installation of additional equipment within the guard hut. The works were completed, but the expenditure was under budget.

- **Health & Safety** **£489.81**

The budget allowed for the cost of completing the annual legionella, health and safety and fire risk assessments. The health & safety and fire risk assessments were not completed during the service charge year. The expenditure relates to the legionella checks.



- **Security Guarding** **£143,249.81**

The expenditure relates to the 24/7 site security guarding. It was above the budget due to an increase in contract costs during the year.

- **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** **£850.00**

The expenditure is for the year end accounts to be certified by an independent accountant as recommended by the RICS Service Charge Professional Statement. Costs were below the budget figure.

- **Management Fee** **£9,352.00**

This figure represents the costs incurred for the management of the property, administration of the service charge and completing periodic inspections. The fee was in line with the budget.

- **Facilities Management** **£4,579.00**

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 was in line with the budget.

- **Reserve Fund** **(£3,504.07)**

The full balance of the reserve fund held has been credited to the service charge in order to offset some of the overspend.

**Total**

**Schedule 1** **£281,763.21**



**Expenditure Approval**

.....  
Facilities Manager

.....  
Partner

Dated 11<sup>th</sup> March 2024

Dated 11<sup>th</sup> March 2024



## Appendix A

### Wing Yip Business Centre, Manchester

### Service Charge Apportionment Schedule

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

Unit	Schedule	Area Sq Ft	Weighted Area Sq Ft	Weighted %
Cash & Carry Store	1	47,681	19,230	48.22%
Units 2A & 2D	1	1,958	1,973	4.95%
Units 3 & 3A	1	11,222	14,925	37.43%
Unit 3B	1	490	490	1.23%
Unit 3C	1	746	746	1.87%
Unit 3D	1	670	670	1.68%
Unit 3E	1	645	645	1.62%
Unit 3F	1	1,198	1,198	3.00%
<b>1 Total</b>		<b>64,610</b>	<b>39,877.00</b>	<b>100.00%</b>

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 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
Internal Cleaning	1	£ 14,000.00	£ 14,088.80
Pest Control	1	£ 2,500.00	£ 2,794.30
Window Cleaning	1	£ 2,200.00	£ 2,218.07
Drain Maintenance	1	£ 2,500.00	£ 8,361.61
External Landscaping	1	£ 4,500.00	£ 5,206.96
External Repairs & Maintenance	1	£ 9,750.00	£ 6,342.71
Internal Repairs & Maintenance	1	£ 2,000.00	£ 6,148.31
Electricity	1	£ 30,000.00	£ 38,903.33
Gas	1	£ 6,500.00	£ 4,949.39
Water Charges	1	£ 2,000.00	£ 1,520.26
Lift Maintenance Contract	1	£ 1,040.00	£ 1,318.49
Lift Repairs	1	£ 3,000.00	£ 6,354.82
M&E Maintenance Contract	1	£ 6,500.00	£ 7,175.14
M&E Repairs	1	£ 6,000.00	£ 19,882.47
Security Systems	1	£ 2,500.00	£ 982.00
Health & Safety	1	£ 1,500.00	£ 489.81
Security Guarding	1	£ 130,000.00	£ 143,249.81
Help Desk	1	£ 500.00	£ 500.00
Audit Fee	1	£ 900.00	£ 850.00
Management Fee	1	£ 9,352.00	£ 9,352.00
Facilities Management	1	£ 4,579.00	£ 4,579.00
Reserve Fund	1	£ -	-£ 3,504.07
<b>1 Total</b>		<b>£ 241,821.00</b>	<b>£ 281,763.21</b>



**Appendix C**

---

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

---



---

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

---

<b>Contents</b>	<b>Page No.</b>
Independent Accountants' Report	1 to 2
Service Charge Expenditure Account	3
Notes to the Statement Of Service Charge Expenditure	4 to 5



---

**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
BUSINESS CENTRE, OLDHAM ROAD, MANCHESTER**

---

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 4 to 5. 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, OLDHAM ROAD, MANCHESTER**

---

**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 £281,763.21 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, OLDHAM ROAD, MANCHESTER  
 SERVICE CHARGE EXPENDITURE ACCOUNT  
 FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Actual 2023 £	Budget 2023 £	Budget Variance £	Prior Period £	Prior Variance £
<b>MANAGEMENT</b>					
<b>Management fees</b>					
Management fees	9,352.00	9,352.00	-	8,823.00	529.00
<b>Accounting fees</b>					
Service charge accountancy fee	850.00	900.00	(50.00)	850.00	-
<b>Site management resources</b>					
Helpdesk fees	500.00	500.00	-	-	500.00
Facilities manager	4,579.00	4,579.00	-	4,320.00	259.00
<b>Health, safety and environmental</b>					
Health and safety	489.81	1,500.00	(1,010.19)	675.00	(185.19)
<b>Legal and professional fees</b>					
Professional fees	-	-	-	5,295.00	(5,295.00)
<b>UTILITIES</b>					
<b>Electricity</b>					
Electricity	38,903.33	30,000.00	8,903.33	21,560.68	17,342.65
<b>Gas</b>					
Gas	4,949.39	6,500.00	(1,550.61)	3,666.20	1,283.19
<b>Water</b>					
Water and sewerage charges	1,520.26	2,000.00	(479.74)	1,254.31	265.95
<b>SOFT SERVICES</b>					
<b>Security</b>					
Security guarding	143,249.81	130,000.00	13,249.81	131,655.39	11,594.42
Security systems	982.00	2,500.00	(1,518.00)	1,311.50	(329.50)
<b>Cleaning and environmental</b>					
Internal cleaning	14,088.80	14,000.00	88.80	15,828.24	(1,739.44)
External landscaping	5,206.96	4,500.00	706.96	125.00	5,081.96
Window cleaning	2,218.07	2,200.00	18.07	2,322.85	(104.78)
Pest control	2,794.30	2,500.00	294.30	1,251.53	1,542.77
Building manager	-	-	-	2,316.00	(2,316.00)
<b>HARD SERVICES</b>					
<b>Mechanical and electrical services (M&amp;E)</b>					
M&E maintenance contract	7,175.14	6,500.00	675.14	7,254.22	(79.08)
M&E repairs	19,882.47	6,000.00	13,882.47	4,699.87	15,182.60
<b>Lift and escalators</b>					
Lift maintenance contract	1,318.49	1,040.00	278.49	1,021.10	297.39
Lift repairs and maintenance	6,354.82	3,000.00	3,354.82	4,712.95	1,641.87
<b>Fabric repairs and maintenance</b>					
Internal repairs and maintenance	6,148.31	2,000.00	4,148.31	3,116.00	3,032.31
External repairs and maintenance	6,342.71	9,750.00	(3,407.29)	3,398.50	2,944.21
Drainage	8,361.61	2,500.00	5,861.61	9,206.12	(844.51)
<b>EXCEPTIONAL EXPENDITURE</b>					
<b>Forward funding</b>					
Reserve fund	(3,504.07)	-	(3,504.07)	-	(3,504.07)
<b>TOTAL</b>	<b>281,763.21</b>	<b>241,821.00</b>	<b>39,942.21</b>	<b>234,663.46</b>	<b>47,099.75</b>



---

**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**BUSINESS CENTRE, OLDHAM ROAD, MANCHESTER**  
**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 £9,352.00. 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 -

**2023**  
**£**

Management fees 9,352.00

**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>Code</b>	<b>£</b>
Service charge accountancy fee	850.00
Window cleaning	1,293.84
Lift maintenance contract	167.00
Electricity	6,550.00
	<hr/>
	<b>8,860.84</b>



---

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

---

**6 Prepayments**

The prepayments included in the service charge expenditure relate to invoices received within the year ended 30 September 2023, but the goods and services relate to periods after the year end.

<b>Code</b>	<b>£</b>
Security systems	247.50
Pest control	79.31
Water and sewerage charges	331.40
	<hr/>
	<b>658.21</b>
	<hr/> <hr/>

**7 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.

**8 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	3,501.64	3,501.19
Interest received	4.43	0.45
Expenditure paid from reserve fund	(3,504.07)	-
	<hr/>	<hr/>
Balance carried forward at 30 September 2023	<b>2.00</b>	<b>3,501.64</b>
	<hr/> <hr/>	<hr/> <hr/>

---

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

---



bennett whitehouse

CHARTERED ACCOUNTANTS

---

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

---

<b>Contents</b>	<b>Page No.</b>
Independent Accountants' Report	<b>1 to 2</b>
Service Charge Expenditure Account	<b>3</b>
Notes to the Statement Of Service Charge Expenditure	<b>4 to 5</b>

---

**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
BUSINESS CENTRE, OLDHAM ROAD, MANCHESTER**

---

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 4 to 5. 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, OLDHAM ROAD, MANCHESTER**

---

**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 £281,763.21 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, OLDHAM ROAD, MANCHESTER  
SERVICE CHARGE EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Actual 2023 £	Budget 2023 £	Budget Variance £	Prior Period £	Prior Variance £
<b>MANAGEMENT</b>					
<b>Management fees</b>					
Management fees	9,352.00	9,352.00	-	8,823.00	529.00
<b>Accounting fees</b>					
Service charge accountancy fee	850.00	900.00	(50.00)	850.00	-
<b>Site management resources</b>					
Helpdesk fees	500.00	500.00	-	-	500.00
Facilities manager	4,579.00	4,579.00	-	4,320.00	259.00
<b>Health,safety and environmental</b>					
Health and safety	489.81	1,500.00	(1,010.19)	675.00	(185.19)
<b>Legal and professional fees</b>					
Professional fees	-	-	-	5,295.00	(5,295.00)
<b>UTILITIES</b>					
<b>Electricity</b>					
Electricity	38,903.33	30,000.00	8,903.33	21,560.68	17,342.65
<b>Gas</b>					
Gas	4,949.39	6,500.00	(1,550.61)	3,666.20	1,283.19
<b>Water</b>					
Water and sewerage charges	1,520.26	2,000.00	(479.74)	1,254.31	265.95
<b>SOFT SERVICES</b>					
<b>Security</b>					
Security guarding	143,249.81	130,000.00	13,249.81	131,655.39	11,594.42
Security systems	982.00	2,500.00	(1,518.00)	1,311.50	(329.50)
<b>Cleaning and environmental</b>					
Internal cleaning	14,088.80	14,000.00	88.80	15,828.24	(1,739.44)
External landscaping	5,206.96	4,500.00	706.96	125.00	5,081.96
Window cleaning	2,218.07	2,200.00	18.07	2,322.85	(104.78)
Pest control	2,794.30	2,500.00	294.30	1,251.53	1,542.77
Building manager	-	-	-	2,316.00	(2,316.00)
<b>HARD SERVICES</b>					
<b>Mechanical and electrical services (M&amp;E)</b>					
M&E maintenance contract	7,175.14	6,500.00	675.14	7,254.22	(79.08)
M&E repairs	19,882.47	6,000.00	13,882.47	4,699.87	15,182.60
<b>Lift and escalators</b>					
Lift maintenance contract	1,318.49	1,040.00	278.49	1,021.10	297.39
Lift repairs and maintenance	6,354.82	3,000.00	3,354.82	4,712.95	1,641.87
<b>Fabric repairs and maintenance</b>					
Internal repairs and maintenance	6,148.31	2,000.00	4,148.31	3,116.00	3,032.31
External repairs and maintenance	6,342.71	9,750.00	(3,407.29)	3,398.50	2,944.21
Drainage	8,361.61	2,500.00	5,861.61	9,206.12	(844.51)
<b>EXCEPTIONAL EXPENDITURE</b>					
<b>Forward funding</b>					
Reserve fund	(3,504.07)	-	(3,504.07)	-	(3,504.07)
<b>TOTAL</b>	<b>281,763.21</b>	<b>241,821.00</b>	<b>39,942.21</b>	<b>234,663.46</b>	<b>47,099.75</b>

---

**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**BUSINESS CENTRE, OLDHAM ROAD, MANCHESTER**  
**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 £9,352.00. 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	9,352.00

**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>Code</b>	<b>£</b>
Service charge accountancy fee	850.00
Window cleaning	1,293.84
Lift maintenance contract	167.00
Electricity	6,550.00
	<hr/>
	<b>8,860.84</b>
	<hr/> <hr/>

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

**6 Prepayments**

The prepayments included in the service charge expenditure relate to invoices received within the year ended 30 September 2023, but the goods and services relate to periods after the year end.

<b>Code</b>	<b>£</b>
Security systems	247.50
Pest control	79.31
Water and sewerage charges	331.40
	<u>658.21</u>

**7 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.

**8 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	3,501.64	3,501.19
Interest received	4.43	0.45
Expenditure paid from reserve fund	(3,504.07)	-
Balance carried forward at 30 September 2023	<u><b>2.00</b></u>	<u><b>3,501.64</b></u>