



JOHNSON FELLOWS
CHARTERED SURVEYORS

Campbells Meadow Business Park

Campbells Meadow

Kings Lynn

Norfolk

PE30 4NA

Service Charge Budget Report

**1st January 2016 to 31st December
2016**



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Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Limited. It is intended to provide details of the planned expenditure for the service charge year commencing 1st January 2016.

The service charge is established as provided for in the leases for the upkeep of the common parts of the property.

The Property

The property is situated 1.8 miles to the south east of Kings Lynn town centre, behind Campbell's Meadow Retail Park and adjacent to the newly built Tesco Extra/Dobbie's.

The property comprises of a self-contained distribution centre and a small terrace of 4 office units and 5 industrial units all accessed via an estate service road.

For the office and industrial units, the service charge is to maintain the external and structural parts of the buildings together with the external communal areas serving these units which includes the car park, paved walkways, estate lighting, landscaped areas and the cycle parking area.

The service charge for the distribution centre is to maintain the external and structural parts of the building together with the external communal areas serving this unit which includes car parking and landscaped areas.

The estate service road is shared by both the industrial/office units and the distribution centre together with Tesco Extra and Dobbie's Garden Centre.

Voids and Concessions

The Landlord will assume responsibility for the service charge for void units and concessions.

VAT

The property has been elected for VAT by the Landlord. Consequently all expenditure budgets are quotes net of VAT, with VAT being charged at the appropriate rate.

Banking

Due to the level of service charge funds, they are not maintained within a discrete bank account. The funds are held within the Johnson Fellows Client Account which is maintained with Barclays Bank plc, sort code 20-46-06. As a consequence the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

There is no reserve fund.



Service Charge Objectives

The objective of Johnson Fellows as Managing Agents 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 object of the budget report is to provide clear explanation for 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 year.

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 welcome. We would also welcome constructive feedback on the communal services provided at the property.

The service charge is administered having regard to Service Charges in Commercial Property; RICS Code of Practice.



Management Team

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.

Management Surveyor:

Jeremy Williams

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0454

Mobile: 07884 352 576

Email: jeremy.williams@johnsonfellows.co.uk

Jeremy Williams is responsible for the overall management of the property.

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.



Service Charge Apportionment

The service charge provisions are set out in various lease documents. They detail the service charge expenditure which tenants are to contribute towards and the method of apportionment.

Not all tenants are responsible for contributing to all expenditure, consequently Service Charge Schedules have been established.

The schedules are:

- Schedule 1 Offices and Industrial Units
- Schedule 2 Distribution Centre

Any expenditure upon the Estate Access Road will be apportioned between the parties responsible for contributing, with a proportion being attributed to both Schedules. Details will be provided when such expenditure is incurred and allocated to the service charge.

The due proportion has been upon the net internal area of each unit relative to the total net internal area of all units under each schedule.

If such apportionment is inappropriate, the Landlord has reasonable discretion to adopt such other due proportion as is fair and reasonable. This may include attributing the whole expenditure to a particular occupier.

The service charge schedules and percentage apportionments are detailed in Appendix A.



Budget Commentary

SCHEDULE 1 – Offices and Industrial Units

All figures are shown net of VAT

- **Cleaning** **£900**
Periodic litter pick of the site, removing all loose litter, emptying the bin and disposing it off the premise. A contingency fund is also in place for any potential fly tipping.
- **Window Cleaning** **£300**
Annual external window cleaning of the units.
- **Building Repair** **£750**
The budget for any repairs required to the structure or external parts of the buildings.
- **Car Park Maintenance** **£500**
Budgeted cost for provision of grit bin and rock salt.
- **Drain Maintenance** **£500**
Flush out of surface water drains and annual cleaning of rain water goods. In addition a budget is included for the de-silting and dredging of the drainage ditches.
- **Electrical Repairs** **£250**
Re-lamping of the car park area as required and any unforeseen reactive repairs.
- **Landscaping External** **£1,740**
Fortnightly attendance of the external landscape areas, including trees, shrub beds, hedge and grass cutting and weed control.
- **Repairs - External** **£500**
Budget for any reactive works required to the external areas of the building.
- **Road Maintenance** **£0**
No expenditure is anticipated for any works to the Estate access road.
- **Electricity Supply** **£1,500**
Budgeted cost for the annual supply of external electricity to the car park area.



- **Statutory Compliance** **£500**

Health and safety audit of the site to ensure that it meets current regulations and highlights potential risks that can be managed.

- **Security** **£2,778**

The contracted cost for nightly patrols by Red Zone Secure.

- **Signage** **£250**

Communal tenant signage.

- **Interest** **£0**

Any interest charged on the late payment of service charge will be credited to this budget heading.

- **Audit Fee** **£300**

The RICS Service Charge Code of Practice provides for service charge accounts to be independently certified on an annual basis.

- **Management Fee** **£5,035**

This figure represents the fixed annual fee, compliant with the RICS Service Charge Code of Practice. It covers the property management, periodic inspection and administration of the service charge. It is subject to annual indexation.

- **Facilities Management** **£750**

The costs of the Facilities Manager contract management and compliance issues.

Total

Schedule 1 **£16,553**

Please note this budget is net of VAT at 20%.



SCHEDULE 2 – Distribution Centre

All figures are shown net of VAT

- **Cleaning** **£250**

A periodic litter pick of the landscape area, removing all loose litter, emptying the bin and disposing it off the premise. A small contingency fund is also in place for any potential fly tipping.
- **Building Repair** **£400**

The budget for any repairs required to the structure or external parts of the buildings.
- **Drain Maintenance** **£650**

De-silting and dredging of the drainage ditches.
- **Landscape - External** **£450**

Bi weekly attendance to the landscape areas immediately adjoining the property.
- **Road Maintenance** **£0**

No expenditure is anticipated for any works to the Estate access road.
- **Interest** **£0**

Any interest collected for late payment of service charge will be credited to this budget heading.
- **Audit Fee** **£150**

The RICS Service Charge Code of Practice states that service charge accounts should be independently certified on an annual basis.
- **Management Fee** **£755**

This figure represents the cost incurred to prepare and manage the service charge at the property for a 12 month period. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation.
- **Facilities Management** **£250**

The costs of the Facilities Manager contract management and compliance issues.

Total

Schedule 2 **£2,905**

Please note this budget is net of VAT at 20%.



.....
Management Surveyor

.....
Dated
17th December 2015

.....
Partner

.....
Dated
17th December 2015



APPENDIX A

Service Charge Apportionments

Campbells Meadow Business Park, Kings Lynn, Norfolk PE30 4NA

Service Charge Apportionment Schedule

1st January 2016 to 31st December 2016

Schedule 1	Office/Trade Counter		
Unit	Tenant	NIA (Sq Ft)	Percentage
2	Void	1,965	6.4%
4	Void	1,965	6.4%
6	Void	1,965	6.4%
8	Void	1,965	6.4%
10	Plumbcity Ltd	4,529	14.8%
12	Void	4,529	14.8%
14	Void	4,529	14.8%
16	Void	4,529	14.8%
18	Void	4,529	14.8%
	Total	30,505	100.0%

Schedule 2	Distribution Centre		
Unit	Tenant	NIA (Sq Ft)	Percentage
14 to 15	ITW Limited	24,228	100.0%
	Total	24,228	100.0%

NOTES

1. Areas taken from sales particulars



APPENDIX B

Service Charge Budget Comparison

Campbells Meadow Business Park, Kings Lynn, Norfolk PE30 4NA

Service Charge Variance Schedule

1st January 2016 to 31st December 2016

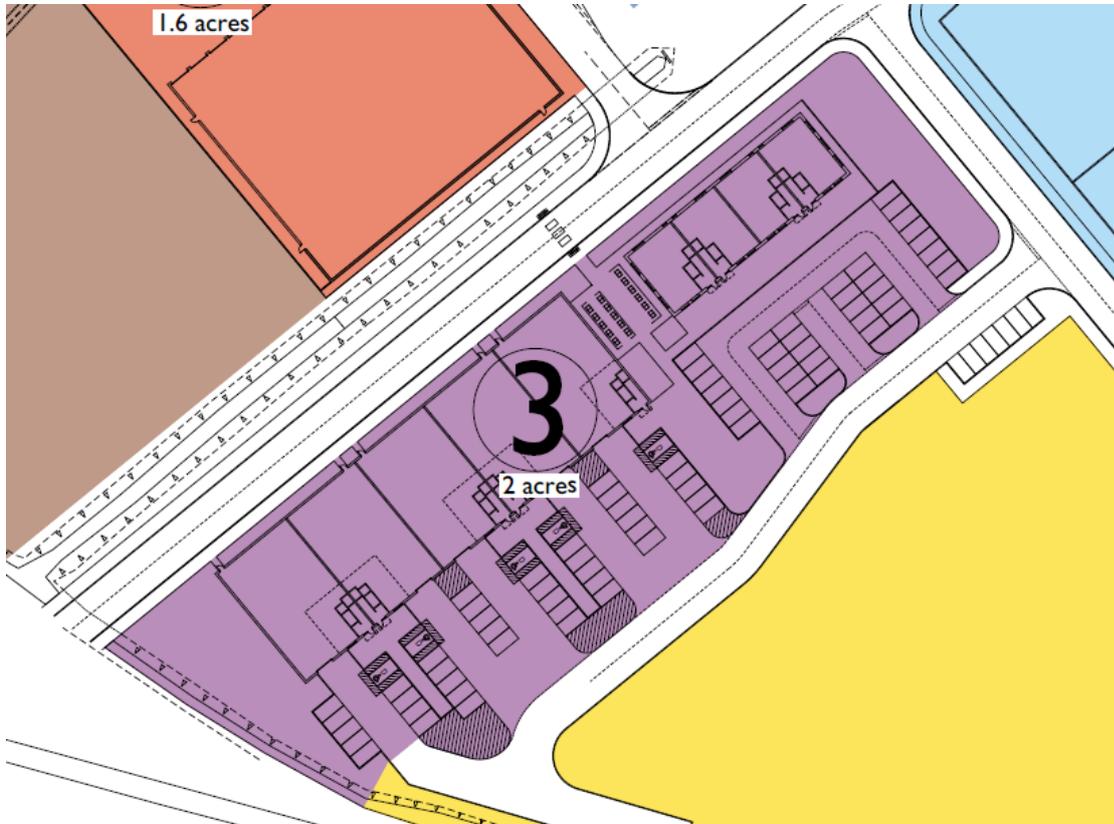
The property is VAT registered. Figures for Schedule 1 & 2 shown net of VAT

Service Charge Item	Schedule	Budget 2015	Budget 2016	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	1	£ 750	£ 900	20.0%	£ 150
Window Cleaning	1	£ 500	£ 300	-40.0%	-£ 200
Building Repair	1	£ 1,000	£ 750	-25.0%	-£ 250
Car Park Maintenance	1	£ 500	£ 500	0.0%	£ -
Drain Maintenance	1	£ 750	£ 500	-33.3%	-£ 250
Electrical Repairs	1	£ 250	£ 250	0.0%	£ -
Landscape - External	1	£ 1,750	£ 1,740	-0.6%	-£ 10
Repairs- External	1	£ 500	£ 500	0.0%	£ -
Road Maintenance	1	£ -	£ -	0.0%	£ -
Electricity Supply	1	£ 1,500	£ 1,500	0.0%	£ -
Statutory Compliance	1	£ 500	£ 500	0.0%	£ -
Security	1	£ 2,000	£ 2,778	38.9%	£ 778
Signage	1	£ 250	£ 250	0.0%	£ -
Interest	1	£ -	£ -	0.0%	£ -
Audit Fee	1	£ 300	£ 300	0.0%	£ -
Management Fees	1	£ 5,000	£ 5,035	0.7%	£ 35
Facilities Management	1	£ 750	£ 750	0.0%	£ -
1 Total		£ 16,300	£ 16,553	1.6%	£ 253
Cleaning	2	£ 250	£ 250	0.0%	£ -
Building Repair	2	£ 500	£ 400	-20.0%	-£ 100
Drain Maintenance	2	£ 750	£ 650	-13.3%	-£ 100
Landscape - External	2	£ 250	£ 450	80.0%	£ 200
Road Maintenance	2	£ -	£ -	0.0%	£ -
Interest	2	£ -	£ -	0.0%	£ -
Audit Fee	2	£ 150	£ 150	0.0%	£ -
Management Fees	2	£ 750	£ 755	0.7%	£ 5
Facilities Management	2	£ 200	£ 250	25.0%	£ 50
2 Total		£ 2,850	£ 2,905	1.9%	£ 55
Grand Total		£ 19,150	£ 19,458	1.6%	£ 308



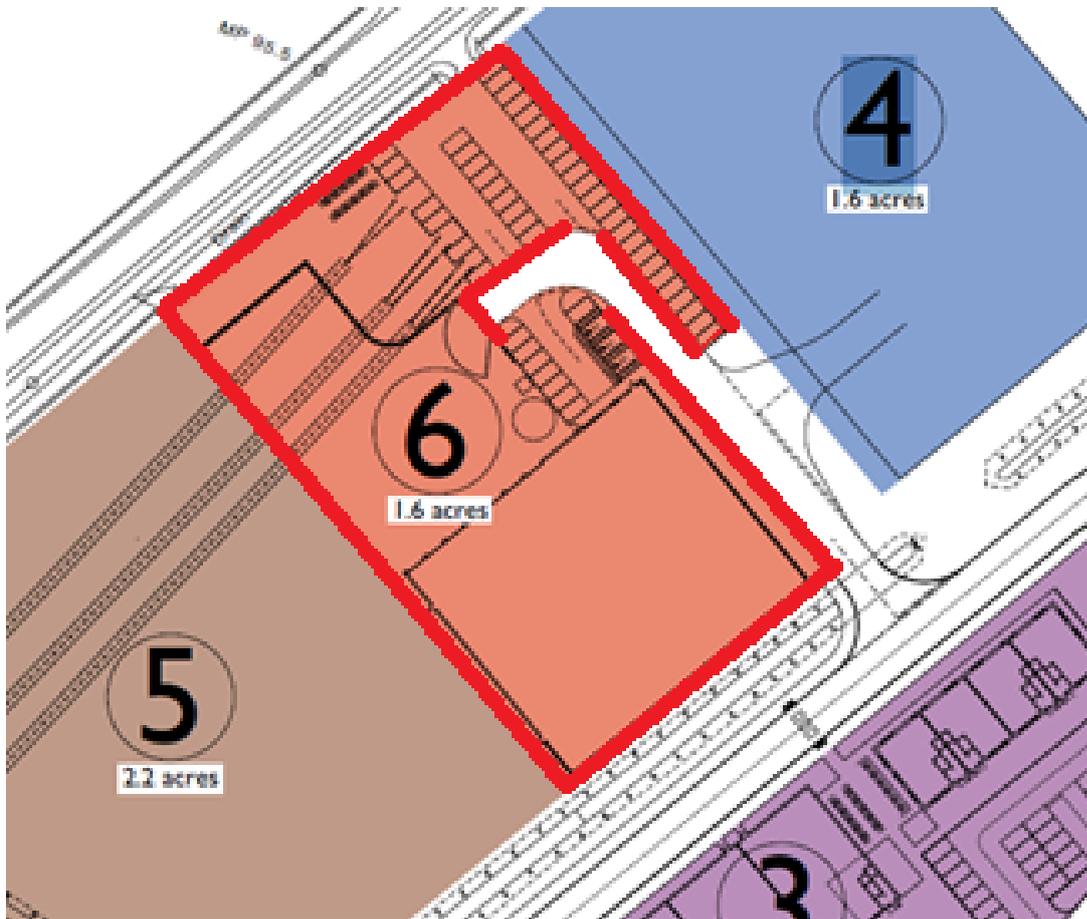
APPENDIX C

Plan of Schedule 1 Building



APPENDIX D

Plan of Schedule 2 Building





APPENDIX E

Plan of Estate Service Road

