



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

**Campbells Meadow Business Park**

**Campbells Meadow**

**Kings Lynn**

**Norfolk**

**PE30 4NA**

**Service Charge Budget Report**

**1<sup>st</sup> January 2017 to 31<sup>st</sup> December  
2017**



## **Contents**

Introduction
The Property
Voids and Concessions
VAT
Banking
Service Charge Objectives
Management Team
Service Charge Apportionment
Budget Commentary

## **Appendices**

A.	Service Charge Variance Schedule
B	Service Charge Apportionment Schedule
C	Access Road Apportionment
D	Plan of Schedule 1 Building
E	Plan of Schedule 2 Building
F	Plan of Estate Access Road



## **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 1<sup>st</sup> January 2017.

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 communal areas serving these units which include 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.



### **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 of the planned 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](mailto:chris.monteith@johnsonfellows.co.uk)

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

### Management Surveyor:

George Brittain  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0454  
Mobile: 07884 352 576  
Email: [george.brittain@johnsonfellows.co.uk](mailto:george.brittain@johnsonfellows.co.uk)

George Brittain 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](mailto: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 common area
- Schedule 2 Distribution Centre
- Schedule 3 Access Road
- Schedule 4 Industrial units only

The due proportion has been upon the net internal area of each unit relative to the total net internal area of all units under schedules 1, 2 & 4

Schedule 3 uses a weighted apportionment based off of relative plot sizes, within each plot individual units are then apportioned on the net internal area of each unit relative to the total net internal area of all units within that plot.

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 & B.



## **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 premises. A contingency fund is also in place for any potential fly tipping.
- **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.
- **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** **£5,135**

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** **£765**

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

**Total**

**Schedule 1** **£15,618**



## **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 premises. 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.

- **Interest** **£0**

Any interest collected for late payment of service charge will be credited to this budget heading.

- **Reserve Fund** **£2,500**

Ongoing annual contribution.

- **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** **£765**

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** **£255**

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

### **Total**

**Schedule 2** **£5,420**



### **SCHEDULE 3 – Access Road**

**All figures are shown net of VAT**

- **Electrical Repairs** **£2,500**

Re-lamping of the access road as required and any unforeseen reactive repairs.
- **Landscaping External** **£750**

Fortnightly attendance of the external landscape areas, including trees, shrub beds, hedge and grass cutting and weed control.
- **Road Maintenance** **£5,000**

Budget for any reactive works required to the access road.
- **Foot Path Maintenance** **£500**

Budget for any reactive works required to the foot paths.
- **Electricity Supply** **£3,000**

Budgeted cost for the annual supply of external electricity to the car park area.
- **Plant and Machinery** **£1,000**

Annual maintenance of drainage pump.
- **Audit Fee** **£150**

The RICS Service Charge Code of Practice provides for service charge accounts to be independently certified on an annual basis.
- **Management Fee** **£750**

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** **£250**

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

**Total**

**Schedule 3** **£13,900**





APPENDIX A

**Campbell's Meadow Business Park, Kings Lynn, Norfolk PE30 4NA**

**Service Charge Variance Schedule**

**1st January 2017 to 31st December 2017**

Schedule 1 - Offices & Industrial common areas					
Service Charge Item	Schedule	Budget 2016	Budget 2017	Variance %	Variance £
Cleaning	1	£900.00	£900.00	0.0%	£0.00
Car Park Maintenance	1	£500.00	£500.00	0.0%	£0.00
Drain Maintenance	1	£500.00	£500.00	0.0%	£0.00
Electrical Repairs	1	£250.00	£250.00	0.0%	£0.00
Landscape - External	1	£1,740.00	£1,740.00	0.0%	£0.00
Repairs- External	1	£500.00	£500.00	0.0%	£0.00
Electricity Supply	1	£1,500.00	£1,500.00	0.0%	£0.00
Statutory Compliance	1	£500.00	£500.00	0.0%	£0.00
Reserve Fund	1	£0.00	£0.00	0.0%	£0.00
Security	1	£2,778.00	£2,778.00	0.0%	£0.00
Signage	1	£250.00	£250.00	0.0%	£0.00
Interest	1	£0.00	£0.00	0.0%	£0.00
Audit Fee	1	£300.00	£300.00	0.0%	£0.00
Management Fees	1	£5,035.00	£5,135.00	2.0%	£100.00
Facilities Management	1	£750.00	£765.00	2.0%	£15.00
<b>1 Total</b>		<b>£15,503.00</b>	<b>£15,618.00</b>	<b>0.7%</b>	<b>£115.00</b>

Schedule 2 - Distribution Centre					
Service Charge Item	Schedule	Budget 2016	Budget 2017	Variance %	Variance £
Cleaning	2	£250.00	£250.00	0.0%	£0.00
Building Repair	2	£400.00	£400.00	0.0%	£0.00
Drain Maintenance	2	£650.00	£650.00	0.0%	£0.00
Landscape - External	2	£450.00	£450.00	0.0%	£0.00
Interest	2	£0.00	£0.00	0.0%	£0.00
Reserve Fund	2	£0.00	£2,500.00	0.0%	£2,500.00
Audit Fee	2	£150.00	£150.00	0.0%	£0.00
Management Fees	2	£755.00	£765.00	1.3%	£10.00
Facilities Management	2	£250.00	£255.00	2.0%	£5.00
		<b>£2,905.00</b>	<b>£5,420.00</b>	<b>86.6%</b>	<b>£2,515.00</b>

Schedule 3 - Access Road					
Service Charge Item	Schedule	Budget 2016	Budget 2017	Variance %	Variance £
Landscape External	3	£750.00	£750.00	0.0%	£0.00
Electrical Repair	3	£2,500.00	£2,500.00	0.0%	£0.00
Foot Path Maintenance	3	£500.00	£500.00	0.0%	£0.00
Road Maintenance	3	£5,000.00	£5,000.00	0.0%	£0.00
Electricity Supply	3	£3,000.00	£3,000.00	0.0%	£0.00
Plant and Machinery	3	£1,000.00	£1,000.00	0.0%	£0.00
Reserve Fund	3	£0.00	£0.00	0.0%	£0.00
Common Parts Expendit	3	£0.00	£0.00	0.0%	£0.00
Audit Fee	3	£150.00	£150.00	0.0%	£0.00
Management Fee	3	£750.00	£750.00	0.0%	£0.00
Facilities Management	3	£250.00	£250.00	0.0%	£0.00
		<b>£13,900.00</b>	<b>£13,900.00</b>	<b>0.0%</b>	<b>£0.00</b>

Schedule 4 - Industrial units					
Service Charge Item	Schedule	Budget 2016	Budget 2017	Variance %	Variance £
Window Cleaning	4	£300.00	£300.00	0.0%	£0.00
Building Repair	4	£750.00	£750.00	0.0%	£0.00
Reserve Fund	4	£0.00	£0.00	0.0%	£0.00
Facilities Management	4	£0.00	£75.00	0.0%	£75.00
		<b>£1,050.00</b>	<b>£1,125.00</b>	<b>0.0%</b>	<b>£75.00</b>
<b>Grand Total</b>		<b>£33,358.00</b>	<b>£36,063.00</b>	<b>8.11%</b>	<b>£2,705.00</b>



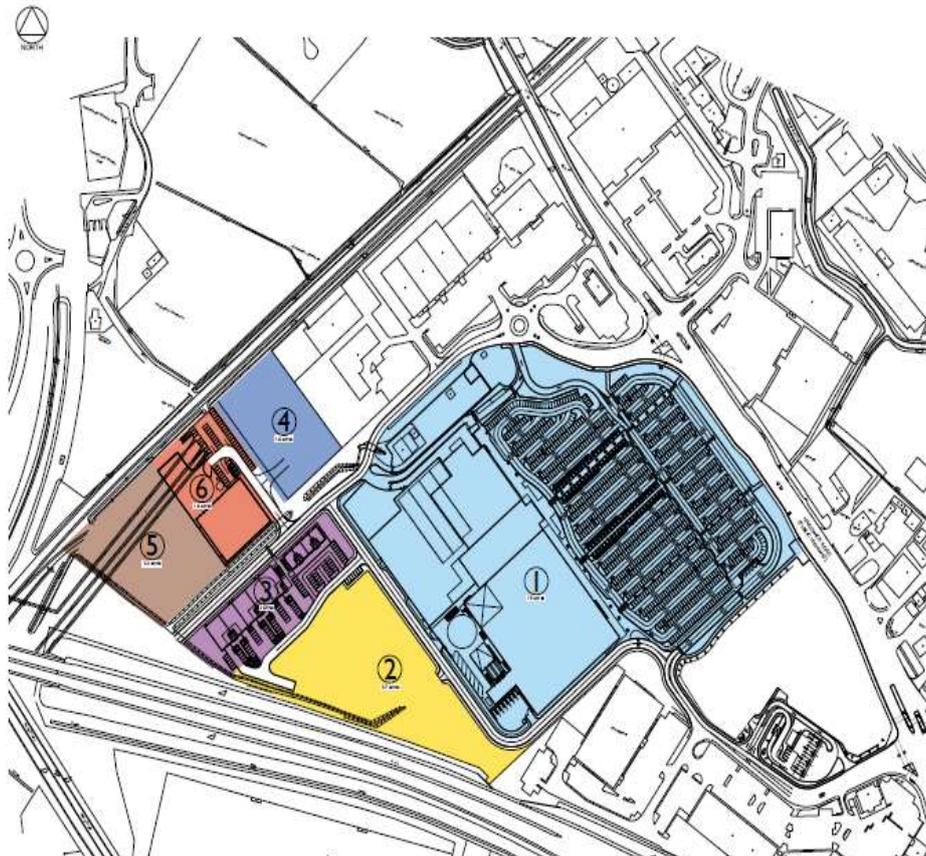
**APPENDIX B**

<b>Campbells Meadow Business Park, Kings Lynn, Norfolk PE30 4NA</b>					
<b>Service Charge Apportionment Schedule</b>					
<b>1st January 2017 to 31st December 2017</b>					
<b>Schedule 1 - Offices &amp; Industrial common areas</b>					
<b>Unit / Plot</b>	<b>Sch</b>	<b>Tenant</b>	<b>NIA (Sq Ft)</b>	<b>Percentage</b>	<b>Budget</b>
Offices 2 - 8	1	CHALCROFT RETIREMENT BEN	7,860	25.75%	£ 4,021.64
10 (1)	1	Plumbcity Ltd	4,529	14.85%	£ 2,319.27
12 (2)	1	Void	4,529	14.85%	£ 2,319.27
14 (3)	1	Void	4,529	14.85%	£ 2,319.27
16 (4)	1	Void	4,529	14.85%	£ 2,319.27
18 (5)	1	Void	4,529	14.85%	£ 2,319.27
<b>1 Total</b>			<b>30,505</b>	<b>100.000%</b>	<b>£ 15,618</b>
<b>Schedule 2 - Distribution Centre</b>					
<b>Unit / Plot</b>	<b>Sch</b>	<b>Tenant</b>	<b>NIA (Sq Ft)</b>	<b>Percentage</b>	<b>Budget</b>
14 to 15	2	ITW Limited	24,228	100.000%	£5,420.00
<b>2 Total</b>				<b>100.000%</b>	<b>£ 5,420</b>
<b>Schedule 3 - Access Road</b>					
<b>Unit / Plot</b>	<b>Sch</b>	<b>Tenant</b>	<b>NIA (Sq Ft)</b>	<b>Percentage</b>	<b>Budget</b>
Plot 1A	3	Tesco Stores Ltd		26.12%	£ 3,630.68
Plot 1B	3	Dobbies Garden Centres Ltd		24.76%	£ 3,441.64
Plot 2	3	Void		15.15%	£ 2,105.85
Plot 3 unit 2 - 8	3	CHALCROFT RETIREMENT BENEFIT SCHEME		2.38%	£ 330.82
Plot 3 unit 10 (1)	3	Plumbcity Ltd		1.37%	£ 190.43
Plot 3 unit 12 (2)	3	Void		1.37%	£ 190.43
Plot 3 unit 14 (3)	3	Void		1.37%	£ 190.43
Plot 3 unit 16 (4)	3	Void		1.37%	£ 190.43
Plot 3 unit 18 (5)	3	Void		1.37%	£ 190.43
Plot 4	3	Void		7.40%	£ 1,028.60
Plot 5	3	Void		9.94%	£ 1,381.66
Plot 6 unit 14-15	3	ITW Limited		7.40%	£ 1,028.60
<b>3 Total</b>				<b>100.000%</b>	<b>£ 13,900</b>
<b>Schedule 4 - Industrial units</b>					
<b>Unit / Plot</b>	<b>Sch</b>	<b>Tenant</b>	<b>NIA (Sq Ft)</b>	<b>Percentage</b>	<b>Budget</b>
10 (unit 1)	4	Plumbcity Ltd	4,529	20.00%	£ 225.00
12 (unit 2)	4	Void	4,529	20.00%	£ 225.00
14 (unit 3)	4	Void	4,529	20.00%	£ 225.00
16 (unit 4)	4	Void	4,529	20.00%	£ 225.00
18 (unit 5)	4	Void	4,529	20.00%	£ 225.00
<b>4 Total</b>			<b>22,645</b>	<b>100.000%</b>	<b>£ 1,125</b>



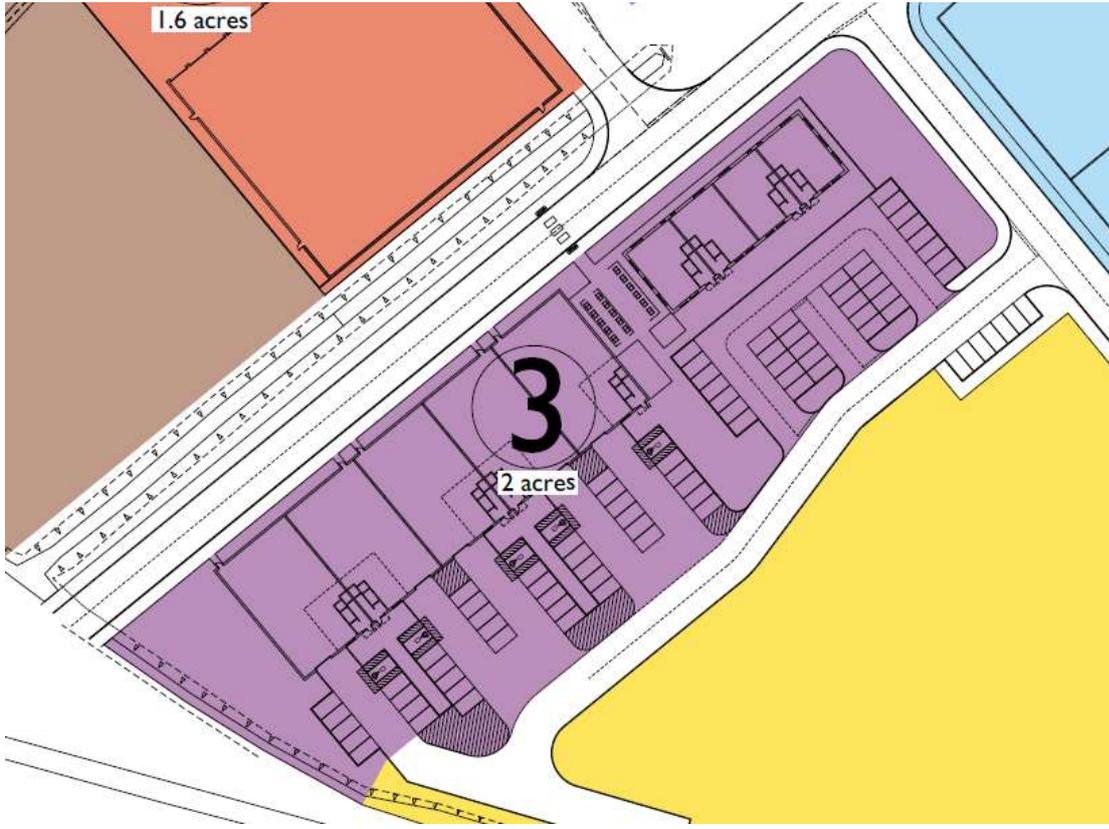
**APPENDIX C**  
**Access Road Apportionment Schedule**

Plot	Unit	Schedule	Tenant	Weighted		
				Plot size	%	
Plot 1	1A	4	Tesco Stores Ltd	116,138	11.00	26.12%
	1B	4	Dobbies Garden Centres Ltd	110,154	11.00	24.76%
Plot 2	Plot 2	4	Undeveloped	0	3.28	15.15%
Plot 3	2 - 8	4	CRBS	7,860	2.00	2.38%
	10	4	Plumbcity Ltd	4,529	2.00	1.37%
	12	4	Void	4,529	2.00	1.37%
	14	4	Void	4,529	2.00	1.37%
	16	4	Void	4,529	2.00	1.37%
	18	4	Void	4,529	2.00	1.37%
Plot 4	Plot 4	4	Undeveloped	0	1.60	7.40%
Plot 5	Plot 5	4	Undeveloped	0	2.15	9.94%
Plot 6	14 - 15	4	ITW Limited	24,228	1.60	7.40%
<b>4 Total</b>				<b>281,025</b>	<b>21.63</b>	<b>100%</b>
		Acres	Acres	Percentage		
	Plot 1	19	0-2	100.0%		
	Plot 2	3.7	2-4	75.0%		
	Plot 3	2	4+	50.0%		
	Plot 4	1.6				
	Plot 5	2.2				
	Plot 6	1.6				
	Total	30.1				





**APPENDIX D**  
**Plan of Schedule 1 Building**



APPENDIX E  
Plan of Schedule 2 Building





# APPENDIX F Plan of Estate Access Road

