



JOHNSON FELLOWS
CHARTERED SURVEYORS

Campbells Meadow Business Park

Campbells Meadow

Kings Lynn

Norfolk

PE30 4NA

Service Charge Expenditure Report

**1st January 2015 to 31st December
2015**



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





Introduction

The service charge expenditure report is intended to provide details of the expenditure incurred for the service charge year ending 31st December 2015.

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

Any shortfall in the recovery of the service charge expenditure as a result of voids or concessions are funded by the Landlord.

VAT

The Landlord has elected the property for VAT; consequently the expenditure is stated net of VAT.

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.

Service Charge Objectives

The service charge expenditure report is aimed at providing a clear explanation of the expenditure incurred and is to promote clarity and transparency. Should any occupier have comments on the format or the information contained in this report that would assist with 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 objective of Johnson Fellows as Managing Agents is to provide a high quality management service. In doing so, we aim to provide a well maintained business environment, delivering value for money for the service charge expenditure.

The service charge year end accounts and this report have been prepared having regard to the RICS Practice Standards; Service Charges in Commercial Property, 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.



Expenditure Commentary

SCHEDULE 1 – Offices and Industrial Units

All figures are shown net of VAT

- **Cleaning** **£310**

This was the cost incurred for a periodic litter pick of the site, removing all loose litter, emptying the bin and disposing it off the premise. No flytipping occurred allowing for a saving in overall expenditure.

- **Window Cleaning** **£150**

Due to occupancy the external window cleaning of the units was kept to a minimum allowing for a slight reduction in expenditure against the budgeted amount.

- **Building Repair** **£2,070**

The cost of the installation of a large security gate to prevent access out of working hours following continual incidents of cars being raced around the site.

- **Car Park Maintenance** **£0**

The gritting was undertaken in conjunction with landscaping works thus not incurring additional costs here.

- **Drain Maintenance** **£279**

The cost of the flush out of surface water drains and annual cleaning of rain water goods came in lower than anticipated.

- **Electrical Repairs** **£0**

No re-lamping of the car park area was required in this year.

- **Landscaping External** **£1,160**

This was the cost for a fortnightly attendance of the external landscape areas, including trees, shrub beds, hedge and grass cutting and weed control.

- **Repairs - External** **£0**

No reactive works were required to the external areas of the Building.

- **Road Maintenance** **£0**

There was no expenditure for any works to the Estate access road as stated in the budget report.

- **Electricity Supply** **£0**

No charges were raised for the supply of external electricity to the car park area.



- **Statutory Compliance** **£0**
The health and safety audit of the site was not undertaken during this service charge, but has been planned for 2016.
 - **Security** **£1,360**
The cost of mobile patrolling works undertaken by Red Zone.
 - **Signage** **£0**
No signage update works were required during the service charge year.
 - **Interest** **£0**
No interest charges were raised during the year.
 - **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** **£5,000**
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** **£11,379**



SCHEDULE 2 – Distribution Centre

All figures are shown net of VAT

- **Cleaning** **£0**
The works budgeted for here were carried out in house by the occupying tenant.
- **Building Repair** **£0**
No repair works were required to the structure or external parts of the building.
- **Drain Maintenance** **£0**
De-silting and dredging of the drainage ditches was not required in this year.
- **Landscape - External** **£273**
The bi weekly attendance to the landscape areas immediately adjoining the property came in slightly over budget as the contracted cost could not be confirmed until after the budget had been issued.
- **Road Maintenance** **£0**
No expenditure was incurred for works to the Estate access road.
- **Interest** **£0**
No interest was collected for late payment of service charge.
- **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** **£750**
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** **£200**
The costs of the Facilities Manager contract management and compliance issues.

Total

Schedule 2 **£1,373**

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Management Surveyor

Dated 12th April 2016

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Partner

Dated 12th April 2016



Appendix A

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

Service Charge Apportionment Schedule

1st January 2015 to 31st December 2015

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

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

Service Charge Variance Schedule

1st January 2015 to 31st December 2015

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

Service Charge Item	Schedule	Budget 2015	Actual 2015	Budget v Actual Variance %	Budget v Actual Variance £
Cleaning	1	£ 750	£ 310	-58.7%	-£ 440
Window Cleaning	1	£ 500	£ 150	-70.0%	-£ 350
Building Repair	1	£ 1,000	£ 2,070	107.0%	£ 1,070
Car Park Maintenance	1	£ 500	£ -	-100.0%	-£ 500
Drain Maintenance	1	£ 750	£ 279	-62.8%	-£ 471
Electrical Repairs	1	£ 250	£ -	-100.0%	-£ 250
Landscape - External	1	£ 1,750	£ 1,160	-33.7%	-£ 590
Repairs- External	1	£ 500	£ -	-100.0%	-£ 500
Road Maintenance	1	£ -	£ -	0.0%	£ -
Electricity Supply	1	£ 1,500	£ -	-100.0%	-£ 1,500
Statutory Compliance	1	£ 500	£ -	-100.0%	-£ 500
Security	1	£ 2,000	£ 1,360	-32.0%	-£ 640
Signage	1	£ 250	£ -	-100.0%	-£ 250
Interest	1	£ -	£ -	0.0%	£ -
Audit Fee	1	£ 300	£ 300	0.0%	£ -
Management Fees	1	£ 5,000	£ 5,000	0.0%	£ -
Facilities Management	1	£ 750	£ 750	0.0%	£ -
1 Total		£ 16,300	£ 11,379	-30.2%	-£ 4,921
Cleaning	2	£ 250	£ -	-100.0%	-£ 250
Building Repair	2	£ 500	£ -	-100.0%	-£ 500
Drain Maintenance	2	£ 750	£ -	-100.0%	-£ 750
Landscape - External	2	£ 250	£ 273	9.3%	£ 23
Road Maintenance	2	£ -	£ -	0.0%	£ -
Interest	2	£ -	£ -	0.0%	£ -
Audit Fee	2	£ 150	£ 150	0.0%	£ -
Management Fees	2	£ 750	£ 750	0.0%	£ -
Facilities Management	2	£ 200	£ 200	0.0%	£ -
2 Total		£ 2,850	£ 1,373	-51.8%	-£ 1,477
Grand Total		£ 19,150	£ 12,753	-33.4%	-£ 6,397



Appendix C

**TESCO STORES LIMITED
CAMPBELLS MEADOW BUSINESS PARK,
CAMPBELLS MEADOW, KINGS LYNN**

**SERVICE COSTS AUDIT STATEMENT
YEAR ENDED 31ST DECEMBER 2015**





Campbells Meadow Buisness Park
Campbells Meadow, Kings Lynn
Certificate of Service Costs for the year ended 31st December 2015

	2015
Schedule 1	
Cleaning	310.00
Window Cleaning	150.00
Building Repair	2,070.00
Car Park Maintenance	0.00
Drain - Maintenance	279.00
Landscape - External	1,160.00
Security	1,360.32
Audit Fees	300.00
Management Fees	5,000.00
Facilities Management	750.00
	<u>11,379.32</u>
Schedule 2	
Landscape - External	273.36
Audit Fees	150.00
Management Fees	750.00
Facilities Management	200.00
	<u>1,373.36</u>
Total expenditure	<u><u>12,752.68</u></u>

No reserve fund is held on this property

In our opinion the above is a fair summary of the costs incurred by or on behalf of Tesco Stores Ltd in connection with the matters for which the service charge is payable and is sufficiently supported by accounts, receipts and other documents which have been produced to us.

Haines Watts Chartered Accountants