



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

**Campbells Meadow Business Park**

**Campbells Meadow**

**Kings Lynn**

**Norfolk**

**PE30 4NA**

**Service Charge Expenditure Report**

**1<sup>st</sup> January 2016 to 31<sup>st</sup> December  
2016**



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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 31<sup>st</sup> December 2016.

## **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](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
- Schedule 2 Distribution Centre
- Schedule 3 Access Road

The due proportion has been upon the net internal area of each unit relative to the total net internal area of all units under schedule 1 & 2. Schedule 3 has been weighted where plots are significantly larger.

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** **£40.15**  
Cost of fly tipping removal.
- **Window Cleaning** **£150.00**  
Cost of external window clean of all units.
- **Building Repair** **£408.90**  
This is the cost of an annual gutter clean.
- **Car Park Maintenance** **£625.00**  
Cost of gritting the car park.
- **Landscaping External** **£1,813.36**  
This was the cost for a fortnightly attendance of the external landscape areas, including trees, shrub beds, hedge and grass cutting and weed control. A mid-year increase in the minimum wage has pushed this cost slightly over budget.
- **Statutory Compliance** **£413.00**  
Cost for the annual health and safety audit.
- **Security** **£2,778.00**  
The cost of mobile patrolling works undertaken by Red Zone.
- **Audit Fee** **£300.00**  
The RICS Service Charge Code of Practice provides for service charge accounts to be independently certified on an annual basis.
- **Management Fee** **£5,035.00**  
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** **£750.00**  
The costs of the Facilities Manager contract management and compliance issues.

### **Total**

**Schedule 1** **£12,313.41**



## **SCHEDULE 2 – Distribution Centre**

**All figures are shown net of VAT**

- **Cleaning** **£14.85**  
A one-off fly tipping removal cost
- **Building Repair** **£546.10**  
Annual gutter clean and the application of a water proof membrane around the exterior of the unit.
- **Landscape - External** **£336.68**  
The fortnightly weekly attendance to the landscape areas.
- **Audit Fee** **£150.00**  
The RICS Service Charge Code of Practice states that service charge accounts should be independently certified on an annual basis.
- **Management Fee** **£755.00**  
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** **£250.00**  
The costs of the Facilities Manager contract management and compliance issues.

**Total**

**Schedule 2** **£2,052.63**

## **SCHEDULE 3 – Access Road**

**All figures are shown net of VAT**

- **Landscaping** **£958.00**  
Cost of servicing the water pumps on the access road.

**Total**

**Schedule 3** **£958.00**

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Management Surveyor

Dated February 2018

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Facilities Manager

Dated February 2018



**Appendix A**

<b>Campbells Meadow Business Park, Kings Lynn, Norfolk PE30 4NA</b>				
<b>Service Charge Apportionment Schedule</b>				
<b>1st January 2016 to 31st December 2016</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>
Offices 2 - 8	1	Void	7,860	25.75%
10 (1)	1	Plumbcity Ltd	4,529	14.85%
12 (2)	1	Void	4,529	14.85%
14 (3)	1	Void	4,529	14.85%
16 (4)	1	Void	4,529	14.85%
18 (5)	1	Void	4,529	14.85%
<b>1 Total</b>			<b>30,505</b>	<b>100.000%</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>
14 to 15	2	ITW Limited	24,228	100.000%
<b>2 Total</b>			<b>24,228</b>	<b>100.000%</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>
Plot 1A	3	Tesco Stores Ltd		26.12%
Plot 1B	3	Dobbies Garden Centres Ltd		24.76%
Plot 2	3	Void		15.15%
Plot 3 unit 2 - 8	3	Void		2.38%
Plot 3 unit 10 (1)	3	Plumbcity Ltd		1.37%
Plot 3 unit 12 (2)	3	Void		1.37%
Plot 3 unit 14 (3)	3	Void		1.37%
Plot 3 unit 16 (4)	3	Void		1.37%
Plot 3 unit 18 (5)	3	Void		1.37%
Plot 4	3	Void		7.40%
Plot 5	3	Void		9.94%
Plot 6 unit 14-15	3	ITW Limited		7.40%
<b>3 Total</b>				<b>100.000%</b>



**Appendix B**

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

**Service Charge Variance Schedule**

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

<b>Schedule 1 - Offices &amp; Industrial common areas</b>						
<b>Service Charge Item</b>	<b>Schedule</b>	<b>Budget 2016</b>	<b>Actual 2016</b>	<b>Variance %</b>	<b>Variance £</b>	
Cleaning	1	£ 900	£ 40.15	-95.5%	-£859.85	
Window Cleaning	1	£ 300	£ 150.00	-50.0%	-£150.00	
Building Repair	1	£ 750	£ 408.90	-45.5%	-£341.10	
Car Park Maintenance	1	£ 500	£ 625.00	25.0%	£125.00	
Drain Maintenance	1	£ 500	£ -	-100.0%	-£500.00	
Electrical Repairs	1	£ 250	£ -	-100.0%	-£250.00	
Landscape - External	1	£ 1,740	£ 1,813.36	0.0%	£73.36	
Repairs- External	1	£ 500	£ -	-100.0%	-£500.00	
Road Maintenance	1	£ -	£ -	0.0%	£0.00	
Electricity Supply	1	£ 1,500	£ -	-100.0%	-£1,500.00	
Statutory Compliance	1	£ 500	£ 413.00	-17.4%	-£87.00	
Security	1	£ 2,778	£ 2,778.00	0.0%	£0.00	
Signage	1	£ 250	£ -	-100.0%	-£250.00	
Interest	1	£ -	£ -	0.0%	£0.00	
Audit Fee	1	£ 300	£ 300.00	0.0%	£0.00	
Management Fees	1	£ 5,035	£ 5,035.00	0.0%	£0.00	
Facilities Management	1	£ 750	£ 750.00	0.0%	£0.00	
<b>1 Total</b>		<b>£ 16,553</b>	<b>£ 12,313.41</b>	<b>-25.6%</b>	<b>-£4,239.59</b>	

  

<b>Schedule 2 - Distribution Centre</b>						
<b>Service Charge Item</b>	<b>Schedule</b>	<b>Budget 2016</b>	<b>Actual 2016</b>	<b>Variance %</b>	<b>Variance £</b>	
Cleaning	2	£250.00	£14.85	-94.1%	-£235.15	
Building Repair	2	£400.00	£546.10	36.5%	£146.10	
Drain Maintenance	2	£650.00	£0.00	-100.0%	-£650.00	
Landscape - External	2	£450.00	£336.68	-25.2%	-£113.32	
Interest	2	£0.00	£0.00	0.0%	£0.00	
Reserve Fund	2	£0.00	£0.00	0.0%	£0.00	
Audit Fee	2	£150.00	£150.00	0.0%	£0.00	
Management Fees	2	£755.00	£755.00	0.0%	£0.00	
Facilities Management	2	£250.00	£250.00	0.0%	£0.00	
		<b>£2,905.00</b>	<b>£2,052.63</b>	<b>-29.3%</b>	<b>-£852.37</b>	

  

<b>Schedule 3 - Access Road</b>						
<b>Service Charge Item</b>	<b>Schedule</b>	<b>Budget 2016</b>	<b>Actual 2016</b>	<b>Variance %</b>	<b>Variance £</b>	
Landscape External	3	£0.00	£958.00	0.0%	£958.00	
		<b>£0.00</b>	<b>£958.00</b>	<b>0.0%</b>	<b>£958.00</b>	



**Appendix C**

**TESCO STORES LIMITED**

**CAMPBELLS MEADOW BUSINESS PARK,  
CAMPBELLS MEADOW, KINGS LYNN**

**SERVICE COSTS AUDIT STATEMENT**

**YEAR ENDED 31ST DECEMBER 2016**





**Campbells Meadow Business Park**  
**Campbells Meadow, Kings Lynn**  
**Certificate of Service Costs for the year ended 31st December 2016**

	2016	2015
<b>Schedule 1</b>		
Cleaning	40.15	310.00
Window Cleaning	150.00	150.00
Building Repair	408.90	2,070.00
Car Park Maintenance	625.00	-
Drain - Maintenance	-	279.00
Landscape - External	1,813.36	1,160.00
Statutory Compliance	413.00	-
Security	2,778.00	1,360.32
Audit Fees	300.00	300.00
Management Fees	5,035.00	5,000.00
Facilities Management	750.00	750.00
	<u>12,313.41</u>	<u>11,379.32</u>
<b>Schedule 2</b>		
Cleaning	14.85	-
Building repairs	546.10	-
Landscape - External	336.68	273.36
Audit Fees	150.00	150.00
Management Fees	755.00	750.00
Facilities Management	250.00	200.00
	<u>2,052.63</u>	<u>1,373.36</u>
<b>Access Road</b>		
Landscape - External Access Road	958.00	-
<b>Total expenditure</b>	<u><u>15,324.04</u></u>	<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