



JOHNSON FELLOWS
CHARTERED SURVEYORS

Campbells Meadow Business Park

Campbells Meadow

Kings Lynn

Norfolk

PE30 4NA

Service Charge Expenditure Report

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



Contents

Introduction
The Property
Voids and Concessions
VAT
Banking
Service Charge Objectives
Management Team
Service Charge Apportionment
Expenditure 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 expenditure Incurred for the service charge year commencing 1st 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 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 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:

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

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

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.



Expenditure Commentary

SCHEDULE 1 – Offices and Industrial Units Common Area

All figures are shown net of VAT

- **Cleaning** **£0.00**
The contingency fund for fly tipping was not required
- **Car Park Maintenance** **£298.80**
Cost for gritting of the car park area.
- **Drain Maintenance** **£0.00**
Surface water drains were checked when operatives were on site looking at access road, they confirmed there was no flush out required in this period.
- **Electrical Repairs** **£0.00**
No reactive electrical repairs required.
- **Landscaping External** **£1,608.52**
The cost of fortnightly attendance of the external landscape areas, including trees, shrub beds, hedge and grass cutting and weed control.
- **Repairs - External** **£624.00**
Repairs to fence along bottom edge of the car park were undertaken.
- **Electricity Supply** **£500.00**
Accrual for electricity supplied to car park lighting.
- **Statutory Compliance** **£0.00**
No H&S report was undertaken in this period next report 2019.
- **Security** **£2,943.00**
The contracted cost for nightly lock up and patrols by Red Zone Secure and any additional call outs.
- **Signage** **£0.00**
Communal tenant signage.



- **Interest** **£0.00**

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

- **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** **£5,135.00**

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** **£765.00**

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

Total

Schedule 1 **£12,174.32**



SCHEDULE 2 – Distribution Centre

All figures are shown net of VAT

- **Cleaning** **£0.00**

No contingencies monies were required for fly tipping.

- **Building Repair** **£0.00**

No repairs were required in this period.

- **Landscape - External** **£100.00**

Landscaping was taken inhouse by tenant of this unit.

- **Interest** **£0.00**

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

- **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** **£765.00**

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** **£255.00**

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

Total

Schedule 2 **£1,270.00**



SCHEDULE 3 – Access Road

All figures are shown net of VAT

- **Electrical Repairs** **£0.00**

No re-lamping was required on the access road during this period.

- **Landscaping External** **£1,400.50**

Fortnightly attendance of the external landscape areas, including trees, shrub beds, hedge and grass cutting and weed control. This was originally under budgeted for.

- **Road Maintenance** **£10,435.92**

This is the cost for the gritting of the whole access road through a harsh winter. Additionally, there was a failure of the foul drainage pipes, this cost includes the attendance of operatives on site for 3 days including the use of a large suction VAC tanker, clearing out debris foul drainage chamber and jetting the system till running clear.

- **Foot Path Maintenance** **£0.00**

No works were undertaken to the foot paths in this period.

- **Electricity Supply** **£1,000.00**

Accrual for electricity supplied to access road lighting.

- **Plant and Machinery** **£3,380.10**

Cost for replacement of drainage pumps following drain failure and maintenance contract.

- **Audit Fee** **£150.00**

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

- **Management Fee** **£750.00**

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.

- **Facilities Management** **£250.00**

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

Total

Schedule 3 **£17,366.52**



SCHEDULE 4 – Industrial Units Only

All figures are shown net of VAT

- **Window Cleaning** £250.00

Annual external window cleaning of the units.

- **Building Repair** £620.00

Cost of the annual gutter clean

- **Facilities Management** £75.00

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

Total

Schedule 4 £945.00

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Management Surveyor

.....
Dated
December 2018

.....
Facilities Manager

.....
Dated
December 2018



APPENDIX A

Campbells 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 2017	Actual 2017	Variance %	Variance £
Cleaning	1	£900.00	£0.00	-100.0%	-£900.00
Car Park Maintenance	1	£500.00	£298.80	-40.2%	-£201.20
Drain Maintenance	1	£500.00	£0.00	-100.0%	-£500.00
Electrical Repairs	1	£250.00	£0.00	-100.0%	-£250.00
Landscape - External	1	£1,740.00	£1,608.52	-7.6%	-£131.48
Repairs- External	1	£500.00	£624.00	24.8%	£124.00
Electricity Supply	1	£1,500.00	£500.00	-66.7%	-£1,000.00
Statutory Compliance	1	£500.00	£0.00	-100.0%	-£500.00
Reserve Fund	1	£0.00	£0.00	0.0%	£0.00
Security	1	£2,778.00	£2,943.00	5.9%	£165.00
Signage	1	£250.00	£0.00	-100.0%	-£250.00
Interest	1	£0.00	£0.00	0.0%	£0.00
Audit Fee	1	£300.00	£300.00	0.0%	£0.00
Management Fees	1	£5,135.00	£5,135.00	0.0%	£0.00
Facilities Management	1	£765.00	£765.00	0.0%	£0.00
1 Total		£15,618.00	£12,174.32	-22.0%	-£3,443.68

Schedule 2 - Distribution Centre

Service Charge Item	Schedule	Budget 2017	Actual 2017	Variance %	Variance £
Cleaning	2	£250.00	£0.00	-100.0%	-£250.00
Building Repair	2	£400.00	£0.00	-100.0%	-£400.00
Drain Maintenance	2	£650.00	£0.00	-100.0%	-£650.00
Landscape - External	2	£450.00	£100.00	-77.8%	-£350.00
Interest	2	£0.00	£0.00	0.0%	£0.00
Reserve Fund	2	£2,500.00	£0.00	0.0%	-£2,500.00
Audit Fee	2	£150.00	£150.00	0.0%	£0.00
Management Fees	2	£765.00	£765.00	0.0%	£0.00
Facilities Management	2	£255.00	£255.00	0.0%	£0.00
		£5,420.00	£1,270.00	-76.6%	-£4,150.00

Schedule 3 - Access Road

Service Charge Item	Schedule	Budget 2017	Actual 2017	Variance %	Variance £
Landscape External	3	£750.00	£1,400.50	0.0%	£650.50
Electrical Repair	3	£2,500.00	£0.00	0.0%	-£2,500.00
Foot Path Maintenance	3	£500.00	£0.00	0.0%	-£500.00
Road Maintenance	3	£5,000.00	£10,435.92	0.0%	£5,435.92
Electricity Supply	3	£3,000.00	£1,000.00	0.0%	-£2,000.00
Plant and Machinery	3	£1,000.00	£3,380.10	0.0%	£2,380.10
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
		£13,900.00	£17,366.52	24.9%	£3,466.52

Schedule 4 - Industrial units

Service Charge Item	Schedule	Budget 2017	Actual 2017	Variance %	Variance £
Window Cleaning	4	£300.00	£250.00	-16.7%	-£50.00
Building Repair	4	£750.00	£620.00	-17.3%	-£130.00
Reserve Fund	4	£0.00	£0.00	0.0%	£0.00
Facilities Management	4	£75.00	£75.00	0.0%	£0.00
		£1,125.00	£945.00	-34.0%	-£180.00

Grand Total **£36,063.00** **£31,755.84** **-7.7%** **-£4,307.16**



APPENDIX B

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

Service Charge Apportionment Schedule

1st January 2017 to 31st December 2017

Schedule 1 - Offices & Industrial common areas				
Unit / Plot	Sch	Tenant	NIA (Sq Ft)	Percentage
Offices 2 - 8	1	Chalcroft	7,860	25.75%
10 (1)	1	Plumbcity Ltd	4,529	14.85%
12 (2)	1	PKS Developments Ltd	4,529	14.85%
14 (3)	1	Void	4,529	14.85%
16 (4)	1	Void	4,529	14.85%
18 (5)	1	Seafish Importers Limited	4,529	14.85%
1 Total			30,505	100.000%

Schedule 2 - Distribution Centre				
Unit / Plot	Sch	Tenant	NIA (Sq Ft)	Percentage
14 to 15	2	ITW Limited	24,228	100.000%
2 Total			24,228	100.000%

Schedule 3 - Access Road				
Unit / Plot	Sch	Tenant	NIA (Sq Ft)	Percentage
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	Chalcroft		2.38%
Plot 3 unit 10 (1)	3	Plumbcity Ltd		1.37%
Plot 3 unit 12 (2)	3	PKS Developments Ltd		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	Seafish Importers Limited		1.37%
Plot 4	3	Void		7.40%
Plot 5	3	Void		9.94%
Plot 6 unit 14-15	3	ITW Limited		7.40%
3 Total				100.000%

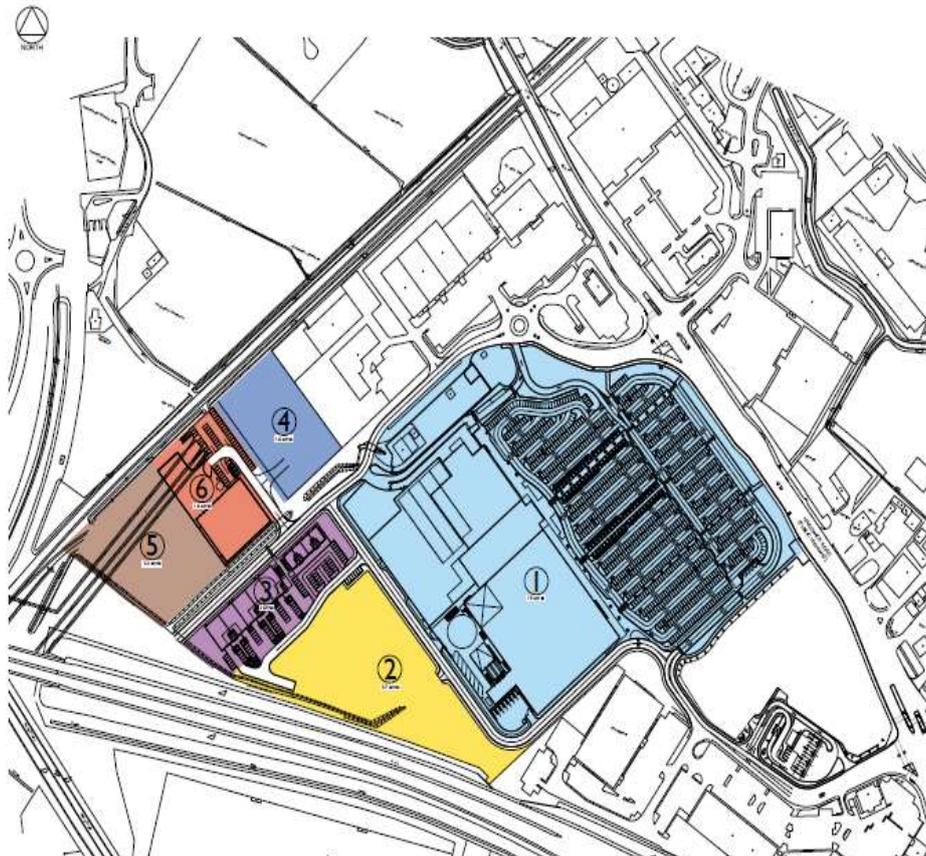
Schedule 4 - Industrial units				
Unit / Plot	Sch	Tenant	NIA (Sq Ft)	Percentage
10 (unit 1)	4	Plumbcity Ltd	4,529	20.00%
12 (unit 2)	4	Void	4,529	20.00%
14 (unit 3)	4	Void	4,529	20.00%
16 (unit 4)	4	Void	4,529	20.00%
18 (unit 5)	4	Void	4,529	20.00%
4 Total			22,645	100.000%

NOTES

1. Areas for Schedules 1 & 2 & 4 taken from sales particulars
2. Areas for Schedule 3 taken from sales particulars, plot areas and VOA

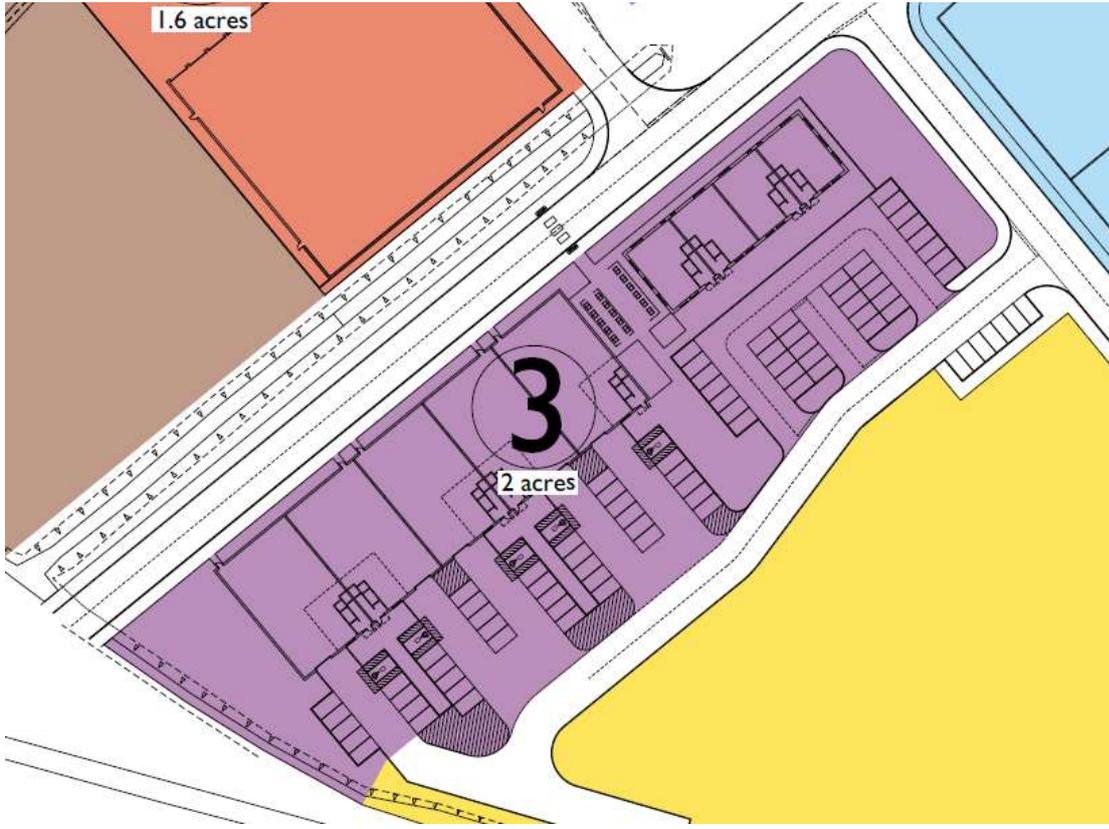
APPENDIX C Access Road Apportionment Schedule

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%
4 Total				281,025	21.63	100%
		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

