



JOHNSON FELLOWS
CHARTERED SURVEYORS

60-63 High Street

Egham

Surrey

TW20 9EX

Service Charge Expenditure Report

24th June 2018 to 23rd June 2019



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





Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Ltd. It is intended to provide details of the expenditure incurred during the service charge period 24th June 2018 to 23rd June 2019.

Enclosed within this report is a copy of the Service Charge Apportionment Schedule and Service Charge Variance Schedule.

The Property

The property is located on Egham High Street, approximately half a mile from the A30 Egham By-Pass, which leads to Junction 13 of the M25 Motorway one mile to the north.

The property is of steel framed construction with brick elevations. It is part single storey and part three storey. The ground floor consists of a Tesco Superstore. There are first and second floor offices above to the front section of the building.

The offices are accessed via a separate entrance from High Street. The entrance foyer leads to a dedicated communal staircase. Male and female toilets are provided at first and second floor landing levels.

The communal services provided for the property consist of the upkeep and maintenance of the internal office entrance, staircase and toilets, electricity and gas supplies, associated statutory compliance and the external upkeep of the front section of the building to which the offices form part. Tesco is directly responsible for the maintenance of the structure and roof for the rear single storey Superstore.

Voids and Concessions

Where any void units exist, the responsibility for the service charge rests with the Landlord. The second floor offices are currently vacant.

VAT

The property is elected for VAT, consequently the expenditure stated within this report is 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.

Interest charged on the late payment of service charge by tenants is to be credited to the service charge.

Reserve Fund

There is no reserve fund.



Service Charge Objectives

The objective of Johnson Fellows as Managing Agent 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 objective of this expenditure report is to provide a clear explanation of the service charge expenditure on a not for profit/not for loss basis. It is also to promote clarity and transparency.

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

The service charge is administered having regard to RICS Professional Statement; Service Charges in Commercial Property; 1st Edition.



Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0407
Mobile: 07540 732 602
Email: robert.scott@johnsonfellows.co.uk

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Ian Starbuck
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0462
Mobile: 07887 745 635
Email: ian.starbuck@johnsonfellows.co.uk

Ian Starbuck 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 apportionment for each schedule is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

Schedule One Office Occupiers Only

Schedule Two All Occupiers

There are two separate schedules set up. The occupiers of the first and second floor offices contribute towards Schedule One. All occupiers contribute towards Schedule Two.

The apportionment percentages are calculated based on net internal floor areas. Costs that are shared between both schedules for items such as Management and Auditors Fees have been apportioned between the schedules based approximately on the total expenditure within each schedule.



Expenditure Commentary

SCHEDULE 1 – Office Occupiers Only

All figures are shown net of VAT

- **Internal Cleaning** **£1,431.00**

The expenditure represents the contract cost for the twice weekly clean of the common areas and toilets. The operative is on site for 2 hours per week. The costs were under budget.

- **Cleaning Materials** **£0.00**

The expenditure is for the purchase of cleaning consumables such as toilet roll, soap and paper towels. No costs were incurred under this heading during the year.

- **Window Cleaning** **£370.00**

The expenditure is for the bi-annual external cleaning of the windows to the entrance hall and offices. The expenditure was marginally over budget.

- **Internal Building Repair** **£3,089.60**

The expenditure largely relates to an accrual to allow for the completion of internal re-decoration works. Other works included the completion of repairs to the toilets. Expenditure was above budget.

- **Electrical Supply** **£854.18**

The cost heading allowed for the electricity consumption within the common parts. The expenditure was over budget.

- **Gas Supply** **£1,459.42**

The cost heading allowed for the gas consumption within the offices. The total expenditure came in below budget.

- **Water Charges** **£0.00**

The budget heading allowed for the anticipated cost of the water rates for the offices. The water bills continued to be sent to and paid by Tesco during the year. No recharge or expenditure was incurred.

- **Mechanical & Electrical Maintenance** **£6,065.38**

The budget provided for the annual boiler service, the service of the toilet heater, water temperature testing and the emergency lighting testing. The expenditure came in above budget due to the requirement to also complete essential works to the water tank and serving pipework.



- **Access System** **£0.00**

The budget provided for the maintenance of the intercom/door entry system. No expenditure was incurred during the year.

- **Fire Prevention** **£964.46**

The expenditure relates to the annual maintenance contract for the fire alarm. The costs were marginally under budget.

- **Statutory Compliance** **£121.75**

The budget provided for the completion of a Health & Safety audit. However, this was not completed. The expenditure relates to the completion of a gas safety certificate.

- **Audit Fee** **£352.00**

The RICS Service Charge Code of Practice states that service charge accounts for commercial properties are to be independently certified on an annual basis. The Accountants fee for certifying the year end service charge account is on budget at £400.00. This has been split between both schedules.

- **Management Fee** **£2,356.40**

This figure represents the costs incurred for the management of the property and administration of the service charge, including periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation. The total fixed fee for the service charge year is £2,708.54 and is split between both schedules.

- **Facilities Management** **£1,123.80**

The figure represents the costs incurred to organise and supervise the various contracts in place, deal with items of maintenance and ensure compliance. The total fixed fee for the service charge year is £1,291.75 and is split between both schedules.

Total

Schedule 1 **£18,187.99**



SCHEDULE 2 – All Occupiers

All figures are shown net of VAT

- **Building Repair** **£621.40**

The budget provided a contingency sum for any unexpected external repairs. The expenditure relates to the completion of some external gutter works. Overall it was under budget.

- **Drain Maintenance** **£0.00**

The budget allowed for the cleaning of the rainwater goods. However, no expenditure was incurred.

- **Statutory Compliance** **£293.75**

The budget provided for the annual lightning conductor test. Expenditure was marginally under budget.

- **Audit Fee** **£48.00**

The RICS Service Charge Code of Practice states that service charge accounts for commercial properties are to be independently certified on an annual basis. The Accountants fee for certifying the year end service charge account is on budget at £400.00. This has been split between both schedules.

- **Management Fee** **£352.14**

This figure represents the costs incurred for the management of the property and administration of the service charge, including periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation. The total fixed fee is £2,708.54 and is split between both schedules.

- **Facilities Management** **£167.96**

The figure represents the costs incurred to organise and supervise the various contracts in place, deal with items of maintenance and ensure compliance. The total fixed fee for the service charge year is £1,291.75 and is split between both schedules.

Total

Schedule 2 **£1,483.25**



R. Scott

Paul Starbuck

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Facilities Manager

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Management Surveyor

Dated 22nd December 2020

Dated 22nd December 2020



Appendix A

60-63 High Street, Egham, Surrey

Service Charge Apportionment Schedule

24th June 2018 to 23rd June 2019

Floor	Schedule	Area Sq Ft	Percentage
First Floor	1	2,810	50.40%
Second Floor	1	2,765	49.60%
1 Total		5,575	100.00%
Ground Floor	2	2,810	33.51%
First Floor	2	2,810	33.51%
Second Floor	2	2,765	32.98%
2 Total		8,385	100.00%



Appendix B

60-63 High Street, Egham, Surrey

Service Charge Variance Schedule

24th June 2018 to 23rd June 2019

The property is VAT registered. Figures for all schedules are shown net of VAT.

Service Charge Item	Schedule	Budget	Expenditure
Internal Cleaning	1	£ 1,500.00	£ 1,431.00
Cleaning Materials	1	£ 300.00	£ -
Window Cleaning	1	£ 300.00	£ 370.00
Internal Building Repair	1	£ 1,500.00	£ 3,089.60
Electrical Supply	1	£ 500.00	£ 854.18
Gas Supply	1	£ 6,500.00	£ 1,459.42
Water Charges	1	£ 600.00	£ -
Access System	1	£ 300.00	£ -
Mechanical & Electrical	1	£ 2,500.00	£ 6,065.38
Fire Prevention	1	£ 1,000.00	£ 964.46
Statutory Compliance	1	£ 700.00	£ 121.75
Audit Fee	1	£ 348.00	£ 352.00
Management Fee	1	£ 2,356.43	£ 2,356.40
Facilities Management	1	£ 1,123.82	£ 1,123.80
1 Total		£ 19,528.25	£ 18,187.99
Building Repair	2	£ 1,500.00	£ 621.40
Drain Maintenance	2	£ 200.00	£ -
Statutory Compliance	2	£ 300.00	£ 293.75
Audit Fee	2	£ 52.00	£ 48.00
Management Fees	2	£ 352.11	£ 352.14
Facilities Management	2	£ 167.93	£ 167.96
2 Total		£ 2,572.04	£ 1,483.25
Grand Total		£ 22,100.29	£ 19,671.24