



JOHNSON FELLOWS
CHARTERED SURVEYORS

Hagley Road Retail Park

343/353 Hagley Road West

Quinton

Birmingham

B32 2AL

Service Charge Expenditure Report

1st January 2016 to

31st December 2016



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Introduction

The service charge report is intended to provide details of the expenditure for the service charge year.

Johnson Fellows LLP were appointed as managing agents of Hagley Road Retail Park by Central England Co-Operative Society Ltd, who purchased the Retail Park from Hortons' Estate Limited on 14th October 2016. The service charge operates for the upkeep of the communal structures, services and areas.

Details of the expenditure incurred prior to 14th October 2016 has been provided by the previous owner.

Property

The property comprises of five retail units with communal car parking/servicing and two access points to/from Hagley Road West.

Voids and Concessions

The service charge for any void lettable units or attributable to any service charge concessions is the responsibility of the Landlord.

VAT

The Landlord has elected the property for VAT.

The service charge payable has VAT charged at the standard rate.

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. Consequently the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Interest charged to tenants for late payment of service charge is credited to the service charge.

Reserve Fund

There is no reserve fund.





Service Charge Objectives

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

We encourage leaseholders to provide comments on the format and/or the information contained in this report which would assist in the report being improved for the benefit of all concerned. We welcome constructive feedback on the communal services provided at the property.

As Managing Agents, Johnson Fellows aim to deliver a high-quality management service in order to provide a well maintained environment and delivering value for money for the service charge expenditure.

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:

Neil Wetherell

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0406

Mobile: 07836 313 914

Email: neil.wetherell@johnsonfellows.co.uk

Neil Wetherell 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 operates for the whole property as defined in the lease documents. The apportionment percentages for each lessee are noted within the Service Charge Apportionment Schedule, as detailed in Appendix A.

The calculation of the apportionment percentages is based upon the area of each unit.

Expenditure Commentary

All figures are shown net of VAT

- **Cleaning** **£0**

No expenditure is shown under the cleaning heading, as Horton's allocated such expenditure to their Environment budget heading. The cleaning costs are shown under the Landscape budget heading in this report.

- **Pest Control** **£495**

The contract cost for the hire of bait stations and the periodic visits to site to maintain them.

- **Drain Maintenance** **£0**

No maintenance works were undertaken during the year.

- **Electrical Repairs** **£502**

Minor repairs and testing were arranged by Hortons.

- **Landscaping - External** **£8,007**

The contract cost for maintaining the landscaped areas, together with the gritting of the common parts.

- **Repairs – External** **£179**

Some minor repairs were required.

- **Electrical Supply** **£203**

The contract costs for the communal electrical supply for the lights and CCTV system. Also included are the costs of auditing and re-tendering the supply contract.

- **Telephone** **£444**

The line rental and broadband contract for the CCTV system.

- **Security Equipment** **£1,573**

The annual cost of the maintenance and monitoring contract for the CCTV system and re-active call outs.

- **Statutory Compliance** **£0**

No audit was undertaken during the year.



- **Audit Fee** **£350**

The fee of the accountants for certifying the year end service charge accounts.

- **Management Fee** **£2,099**

This figure represents the fee to manage the property and administer the service charge.

- **Facilities Management** **£162**

This figure represents the facilities manager's costs to administer and periodically re-tender the supply contracts. It is a contribution to employment costs indexed linked annually to RPI.

Total **£14,014**

The expenditure was less than the budget, consequently there will be a credit year-end balance.

.....
Facilities Manager

.....
Partner

.....
Dated 27th October 2017

.....
Dated 27th October 2017



Appendix A

Hagley Road Retail Park, Hagley Road West, Quinton, Birmingham, B32 2AL

Service Charge Apportionment Schedule

1st January 2016 to 31st December 2016

| Unit | Occupier | Area (sq. ft.) | Percentage |
|--------------|-----------------------------------|-----------------------|-------------------|
| Unit 1 | American Golf Discount Centre Ltd | 5,053 | 28.35% |
| Unit 2 | Pets at Home Ltd | 4,082 | 22.90% |
| Unit 3a | Barnardo's | 2,647 | 14.85% |
| Unit 3b | Quinton Vets4Pets Ltd | 2,018 | 11.32% |
| Unit 4 | Co-Operative Group Food Ltd | 4,025 | 22.58% |
| TOTAL | | 17,825 | 100% |

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





Appendix B

Hagley Road Retail Park, Hagley Road West, Quinton, Birmingham, B32 2AL

Service Charge Variance Schedule

1st January 2016 to 31st December 2016

The property is VAT registered. Figures shown net of VAT.

| Service Charge Item | Budget 2016 | Actual 2016 | Actual v Budget Variance % | Actual v Budget Variance £ |
|----------------------------|--------------------|--------------------|---------------------------------------|---------------------------------------|
| Cleaning | £ 3,675 | £ - | -100.00% | -£ 3,675 |
| Pest Control | £ - | £ 495 | N/A | £ 495 |
| Drain Maintenance | £ 1,250 | £ - | N/A | -£ 1,250 |
| Electrical Repairs | £ 1,500 | £ 502 | -66.53% | -£ 998 |
| Landscape - External | £ 8,400 | £ 8,007 | -4.68% | -£ 393 |
| Repairs - External | £ 2,660 | £ 179 | -93.28% | -£ 2,481 |
| Electrical Supply | £ 500 | £ 203 | -59.50% | -£ 298 |
| Telephone | £ 240 | £ 444 | 84.85% | £ 204 |
| Security Equipment | £ 2,015 | £ 1,573 | -21.92% | -£ 442 |
| Statutory Compliance | £ 750 | £ - | N/A | -£ 750 |
| Audit Fees | £ - | £ 350 | N/A | £ 350 |
| Management Fees | £ 2,000 | £ 2,099 | 4.97% | £ 99 |
| Facilities Management | £ - | £ 162 | N/A | £ 162 |
| TOTAL | £ 22,990 | £ 14,014 | -39.04% | -£ 8,976 |



Appendix C

CENTRAL ENGLAND CO-OPERATIVE SOCIETY LIMITED

**HAGLEY ROAD RETAIL PARK
HAGLEY ROAD, WEST QUINTON, BIRMINGHAM**

SERVICE COSTS AUDIT STATEMENT

YEAR ENDED 31ST DECEMBER 2016



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



Regulated by RICS



Hagley Road Retail Park,
West Quinton, Birmingham
Certificate of Service Costs for the year ended 31st December 2016

| | 2016 |
|--------------------------|-------------------------|
| Schedule 1 | |
| Pest control | 495.00 |
| Electrical repair | 502.01 |
| Landscape | 8,007.24 |
| Repairs - external | 178.75 |
| Electrical supply | 202.50 |
| Telephone | 443.63 |
| Security equipment | 1,573.41 |
| Audit fees | 350.00 |
| Management fees | 2,099.48 |
| Facilities Management | 162.32 |
| Total expenditure | <u>14,014.34</u> |

No reserve fund is held for this property

In our opinion the above is a fair summary of the costs incurred by or on behalf of Central England Co-Operative Society Limited 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



CENTRAL ENGLAND CO-OPERATIVE SOCIETY LIMITED
HAGLEY ROAD RETAIL PARK HAGLEY ROAD, WEST QUINTON, BIRMINGHAM
Proof of Certificates totalling costs per
Cost Schedule

| | |
|--|------------------|
| Service Charge Certificates Raised | |
| | 3,977.26 |
| | 3,210.69 |
| | 2,076.93 |
| | 1,592.03 |
| | 3,157.42 |
| | |
| Total raised | <u>14,014.33</u> |
| | |
| Total costs per schedule | <u>14,014.34</u> |
| | |
| Difference | <u>(0.01)</u> |
| (rounding agreed to report print outs) | |