



JOHNSON FELLOWS
CHARTERED SURVEYORS

Hamilton District Centre

Maidenwell Avenue

Leicester

LE5 1BJ

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

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 during the 2015 service charge year.

The Property

The property is located on the northern eastern section of the Leicester outer Ring Road, the A563 Hamilton Way, about 4 miles from Leicester city centre. The premises consists of parade of 7 shops arranged in a 'L' shaped layout with one section fronting south and a grassed area and library, the section facing east and Topaz Way. To the rear is a communal service yard accessed from the road servicing the rear of the Tesco Extra located adjacent to the property.

The communal areas maintained directly by the service charge are the external and structural parts of the building, the rear service area and the immediately adjoin pedestrian and landscaped areas. Contributions are also to be made towards the repair and maintenance of the other common areas of the centre including the landscape areas, service roads and car park.

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 by the commercial lessees will have 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. 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 late payment of service charge by tenants is to be credited to the service charge.

There is no sinking fund or reserve fund.

Service Charge Objectives

The object of this expenditure 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 and to allow the leaseholders to budget accurately for the forthcoming year.

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

As Managing Agents, Johnson Fellows aim to provide 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:

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 costs are apportioned in line with the terms of the leases which provide for each tenant to pay a due proportion of the service charge which is attributable to each tenant's premises. The general method of apportionment adopted has regard to the Net Internal Area of each unit.

The service charge percentage apportionments are detailed in Appendix A.



Expenditure Commentary

SCHEDULE 1

All figures are shown net of VAT

- **Cleaning/Refuse** **£220**

Ground Control undertook regular litter picking to the site here. No flytipping occurred in this service charge year resulting in an under spend.

- **Building Repairs** **£880**

Anti-trip works were undertaken to the steps at the property as well as a high level clean of the canopy. Paved works have been held over to the next service charge year resulting in an under spend here.

- **Footpath Maintenance** **£300**

We did not budget under this expenditure heading, but we have used this for clarity. The cost here was for gritting undertaken to the paved walkway areas during inclement weather.

- **Drain Maintenance** **£250**

This was the cost for the annual flush out of the communal drainage system which came in on budget.

- **Electrical Maintenance** **£0**

There was no requirement for electrical maintenance in this service charge year.

- **Landscape – External** **£1,180**

This was the cost in this year of maintenance by Ground Control to landscaped areas. The overall charge was slightly higher than anticipated when budgeting.

- **Electrical Supply** **£0**

There were no charges received for supply to common lighting in this service charge year.

- **Health and Safety** **£500**

The cost of carrying out the health and safety audit came in on budget.

- **Audit Fee** **£250**

Haines Watts undertook independent certification of the service charge accounts as required by The RICS Service Charge Code of Practice.



- **Management Fee** **£3,000**

This figure represents the cost incurred for the management of the property and administration of the service charge, including periodic inspection. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation. The figure is as per the budget.

- **Facilities Management Fee** **£250**

This was the cost for the Facilities Manager to organise and supervise the contracts and maintenance and matched the budgeted figure.

Total

Schedule 1 **£6,830**

Please note this expenditure is net of VAT at 20%.

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Management Surveyor

Dated
12th April 2016

.....
Partner

Dated
12th April 2016



Appendix A

Hamilton District Centre, Leicester

Service Charge Apportionment Schedule

1st January 2015 to 31st December 2015

Unit	Area (sq m)	Apportionment %
1	96	13.0%
2	107	14.4%
3	103	13.9%
4 & 5	218	29.3%
6 & 7	219	29.4%
Total	743	100.00%

Notes:

1. Areas taken from VOA



Appendix B

Hamilton District Centre, Leicester

Service Charge Variance Schedule

1st January 2015 to 31st December 2015

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

Service Charge Item	Schedule	Budget 2015	Actual 2015	Budget v Actual Variance %	Budget v Actual Variance £
Cleaning/Refuse	1	£ 1,250	£ 220	-82.40%	-£ 1,030
Building Repairs	1	£ 1,250	£ 880	-29.60%	-£ 370
Drain Maintenance	1	£ 250	£ 250	0.00%	£ -
Footpath Maintenance	1	£ -	£ 300	100.00%	£ 300
Electrical Maintenance	1	£ 250	£ -	-100.00%	-£ 250
Landscape - External	1	£ 1,000	£ 1,180	18.00%	£ 180
Electricity Supply	1	£ 250	£ -	-100.00%	-£ 250
Health & Safety	1	£ 500	£ 500	0.00%	£ -
Audit Fee	1	£ 250	£ 250	0.00%	£ -
Management Fees	1	£ 3,000	£ 3,000	0.00%	£ -
Facilities Management		£ 250	£ 250	0.00%	£ -
Total		£ 8,250	£ 6,830	-17.21%	-£ 1,420



Appendix C

TESCO STORES LIMITED

**HAMILTON DISTRICT CENTRE
HAMILTON, LEICESTER**

SERVICE COSTS AUDIT STATEMENT

YEAR ENDED 31ST DECEMBER 2015





Hamilton District Centre
Hamilton, Leicester
Certificate of Service Costs for the year ended 31st December 2015

	2015
Refuse	220.00
Building Repair	880.00
Drain Maintenance	250.00
Foot Path Maintenance	300.00
Landscape - External	1,180.00
Health & Safety	500.00
Audit Fees	250.00
Management Fees	3,000.01
Facilities Management	250.00
	<hr/>
	6,830.01
	<hr/>
Total expenditure	<u><u>6,830.01</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

Haines Watts Chartered Accountants