



Hamilton District Centre

Maidenwell Avenue

Leicester

LE5 1BJ

Service Charge Expenditure Report

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



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



Regulated by RICS



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 2016 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:

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 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** **£0**

The litter picking has been combined with the landscaping contract and as such the cost for this appears in the landscaping causing the underspend in this heading and overspend in the landscaping. However, there is an underspend on the combined figures.

- **Building Repairs** **£750**

This cost includes planning consent for the totem pole and gutter cleaning

- **Drain Maintenance** **£0**

There was no drain maintenance required this budget year

- **Electrical Maintenance** **£490**

The cost of installing lighting protection on site.

- **Landscape – External** **£1,411**

The landscaping has been combined with the litter picking contract and as such the cost for this appears in this heading. Therefore this has caused an overspend in the landscaping but an underspend on the combined figures.

- **Electrical Supply** **£0**

The centre communal lighting is currently fed off of the Tesco's main supply and not recharged at this time.

- **Health and Safety** **£745**

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** **£3,023**

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 **£6,919**

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Management Surveyor

Dated
1st November 2017

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Facilities Manager

Dated
1st November 2017



Appendix A

Hamilton District Centre, Thurmaston, Leicester LE5 1BJ

Service Charge Apportionment Schedule

1st January 2016 to 31st December 2016

Unit	Tenant	GIA (sq m)	Schedule 1 All Tenants
1	Void	96	13.0%
2	Wa Chilli Chinese Takeaway	107	14.4%
3	Rafik's Finest Fast Food	103	13.9%
4 & 5	Barnardos	217	29.2%
6 & 7	Central England Co-Op	219	29.5%
Total		742	100.0%



Appendix B

Hamilton District Centre, Thurmaston, Leicester LE5 1BJ

Service Charge Variance Schedule

1st January 2016 to 31st December 2016

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

Service Charge Item	Schedule	Budget 2016	Actual 2016	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	1	£ 1,000	£ -	-100.00%	-£ 1,000
Building Repairs	1	£ 2,000	£ 750	-62.50%	-£ 1,250
Drain Maintenance	1	£ 600	£ -	-100.00%	-£ 600
Electrical Maintenance	1	£ 1,000	£ 490	-51.00%	-£ 510
Landscape - External	1	£ 750	£ 1,411	88.13%	£ 661
Electricity Supply	1	£ -	£ -	0.00%	£ -
Health & Safety	1	£ 750	£ 745	-0.67%	-£ 5
Interest	1	£ -	£ -	0.00%	£ -
Audit Fee	1	£ 250	£ 250	0.00%	£ -
Management Fees	1	£ 3,023	£ 3,023	0.00%	£ -
Facilities Management	1	£ 250	£ 250	0.00%	£ -
Grand Total		£ 9,623	£ 6,919	-226.03%	-£ 2,704