



**Hamilton District Centre**

**Maidenwell Avenue**

**Leicester**

**LE5 1BJ**

**Service Charge Expenditure Report**

**1<sup>st</sup> January 2019 to 31<sup>st</sup> December  
2019**



## **Contents**

Introduction

The Property

Voids and Concessions

VAT

Banking

Service Charge Objectives

Management Team

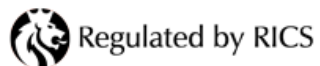
Service Charge Apportionment

Expenditure Commentary

## **Appendices**

- A. Service Charge Apportionment Schedule
- B. Service Charge Variance Schedule

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 2019 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](mailto: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](mailto: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](mailto: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*

- **Building Repairs** **£0.00**

No repairs were required to the structure of the property in this period

- **Drain Maintenance** **£780.00**

This is the cost of the annual drain clean and aco drain cleanout.

- **Footpath Maintenance** **£560.00**

Cost of releveling of a section of block work.

- **Gritting** **£1,270.00**

Cost of gritting footpaths and service yard.

- **External Maintenance** **£2,740.00**

Cost of grounds maintenance contract, removal of waste and litter picking.

- **Health and Safety** **£750.00**

The cost of carrying out the health and safety audit.

- **Interest** **-£0.00**

Interest accrued on collected arrears.

- **Audit Fee** **£250.00**

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



- **Management Fee** **£3,313.00**

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.

- **Professional Fees** **£2,500.00**

The cost of a building surveyor to draw up a 5 year PPM plan.

- **Facilities Management Fee** **£1,072.00**

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

**Total**

**Schedule 1** **£13,235**

.....  
Management Surveyor

.....  
Facilities Manager



**Appendix A**

**Hamilton District Centre, Thurmaston, Leicester LE5 1BJ**

**Service Charge Apportionment Schedule**

| Unit  | Tenant    | GIA (sq m) | Schedule 1<br>All Tenants |
|-------|-----------|------------|---------------------------|
| 1     | Void      | 96         | 13.0%                     |
| 2     | Void      | 107        | 14.4%                     |
| 3     | Void      | 103        | 13.9%                     |
| 4 & 5 | Barnardos | 217        | 29.2%                     |
| 6 & 7 | TCCT      | 219        | 29.5%                     |
| Total |           | 742        | 100.0%                    |



## Appendix B

### Hamilton District Centre, Thurmaston, Leicester LE5 1BJ

### Service Charge Variance Schedule

1st January 2019 to 31st December 2019

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

| Service Charge Item    | Schedule | Budget 2019    | Actual 2019       | Variance %     | Variance £     |
|------------------------|----------|----------------|-------------------|----------------|----------------|
| Building Repairs       | 1        | £3,000         | £0.00             | -100.00%       | -£3,000        |
| Drain Maintenance      | 1        | £800           | £780.00           | -2.50%         | -£20           |
| Electrical Maintenance | 1        | £2,000         | £0.00             | -100.00%       | -£2,000        |
| Footpath Maintenance   | 1        | £1,000         | £560.00           | -44.00%        | -£440          |
| Gritting               | 1        | £1,000         | £1,270.00         | na             | £270           |
| External Maintenance   | 1        | £2,750         | £2,740.00         | na             | -£10           |
| Electricity Supply     | 1        | £500           | £0.00             | -100.00%       | -£500          |
| Health & Safety        | 1        | £750           | £750.00           | 0.00%          | £0             |
| Interest               | 1        | £0             | £0.00             | #DIV/0!        | £0             |
| Audit Fee              | 1        | £300           | £250.00           | -16.67%        | -£50           |
| Management Fees        | 1        | £3,313         | £3,313.00         | 0.00%          | £0             |
| Professional Fees      |          | £2,500         | £2,500.00         | 0.00%          | £0             |
| Facilities Management  | 1        | £1,072         | £1,072.00         | 0.00%          | £0             |
| <b>Grand Total</b>     |          | <b>£18,985</b> | <b>£13,235.00</b> | <b>-30.29%</b> | <b>-£5,750</b> |