



**Hamilton District Centre**

**Maidenwell Avenue**

**Leicester**

**LE5 1BJ**

**Service Charge Expenditure Report**

**1<sup>st</sup> January 2020 to 31<sup>st</sup> December  
2020**



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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 2020 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.

## **Void 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** **£160.00**

Cost of making safe damaged signage

- **Drain Maintenance** **£3,550.00**

This is the cost of the annual drain clean, aco drain cleanouts, and unblocking of rear manhole.

- **Electrical Maintenance** **£330.00**

Cost of testing the lightning conductor.

- **Gritting** **£1,120.00**

Cost of gritting footpaths and service yard.

- **External Maintenance** **£1,725.00**

Cost of grounds maintenance, landscaping and litter collections.

- **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** **£3,393.00**

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.

- **Facilities Management Fee** **£1,099.00**

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

### **Total**

**Schedule 1** **£11,627.00**



A handwritten signature in blue ink, consisting of a stylized initial 'M' followed by a long horizontal stroke.

.....  
Management Surveyor

A handwritten signature in black ink, appearing to read 'C. Kentel' with a flourish at the end.

.....  
Facilities Manager



## Appendix A

Leicester:S/C Hamilton District Centre Maidenwell Aven (01995)

### **Service Charge Unit Percentages**

Recovery Group = sc

Tree = ysi\_bf

Reconciliation Period = 01/01/2020-31/12/2020

\*Amounts in gbp

<b>Unit</b>	<b>Tenant</b>	<b>Days</b>	<b>Schedule 1</b>
0005	<b>Barnardos (Original)</b>	366.00	29.2000
0002	<b>Chung; Marcus Chung &amp; Nathan (Original)</b>	366.00	14.4000
0001	<b>Vacant</b>	366.00	13.0000
0003	<b>Vacant</b>	366.00	13.9000
0004	<b>Vacant</b>	366.00	29.5000
	<b>Total</b>		<b>100.0000</b>



## Appendix B

Leicester:S/C Hamilton District Centre Maidenwell Aven (01995)

### **Service Charge Budget Comparison**

Recovery Group = sc

Tree = ysi\_bf

Reconciliation Period = 01/01/2020-31/12/2020

\*Amounts in gbp

<b>Code</b>	<b>Description</b>	<b>Actual (12/2020)</b>	<b>Budget (12/2020)</b>	<b>Variance</b>	<b>%</b>
<b>1</b>	<b>Schedule 1</b>				
5100-0101	Management Fee	3,393.00	3,393.00	0.00	0.0000
5100-0203	S/C Audit Fees	250.00	300.00	-50.00	-16.6667
5100-0309	Facilities Manager	1,099.00	1,099.00	0.00	0.0000
5100-0402	Health & Safety	0.00	750.00	-750.00	-100.0000
5200-0501	Electricity	0.00	500.00	-500.00	-100.0000
5300-1010	Snow clearance / Gritting	1,120.00	1,200.00	-80.00	-6.6667
5300-1016	Drainage	3,550.00	800.00	2,750.00	343.7500
5400-1207	Electrical Maintenance	330.00	1,000.00	-670.00	-67.0000
5400-1506	External Maintenance	1,725.00	4,000.00	-2,275.00	-56.8750
5400-1526	Footpath Maintenance	0.00	1,200.00	-1,200.00	-100.0000
5400-1530	Building Repair	160.00	4,500.00	-4,340.00	-96.4444
	<b>Schedule Total</b>	<b>11,627.00</b>	<b>18,742.00</b>	<b>-7,115.00</b>	<b>-37.9629</b>

**TESCO STORES LIMITED**

**HAMILTON DISTRICT CENTRE  
HAMILTON, LEICESTER**

**SERVICE COSTS AUDIT STATEMENT**

**YEAR ENDED 31ST DECEMBER 2020**



**Hamilton District Centre**  
**Hamilton, Leicester**  
**Certificate of Service Costs for the year ended 31st December 2020**

	2020	2019
Building Repair	160.00	-
Drain Maintenance	3,550.00	780.00
Foot Path Maintenance	-	560.00
Electrical Maintenance	330.00	-
Gritting	1,120.00	1,270.00
External Maintenance	1,725.00	2,740.00
Health & Safety	-	750.00
Audit Fees	250.00	250.00
Management Fees	3,393.00	3,313.00
Professional Fees	-	2,500.00
Facilities Management	1,099.00	1,072.00
<b>Total expenditure</b>	<b>11,627.00</b>	<b>13,235.00</b>

**No reserve fund is held on this property**

**Independent Accountant's Review Report**

To the Manager, Hamilton District Centre

We have reviewed the statement of service charge expenditure for the above property for the year ended 31 December 2020. The statement of service charge expenditure has been prepared by the Manager in accordance with guidance issued by the RICS in the Code of Practice, Services Charges in Commercial Property, Third edition.

**Manager's Responsibility for the Statement of service charge expenditure**

The Manager is responsible for the preparation of the statement of service charge expenditure and for such internal control as the Manager determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

**Reporting Accountant's Responsibility**

Our responsibility is to express a conclusion on the statement of service charge expenditure based on the procedures we have performed and the evidence we have obtained. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the statement of service charge expenditure, taken as a whole, is not prepared in all material respects in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS. ISRE 4000 (Revised) also requires us to comply with relevant ethical requirements.

A review of a statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and others responsible for the services that comprise the service charge on this property, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures do not include review of the allocation or apportionment of service charge expenditure to occupiers.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the statement of service charge expenditure.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the statement of service charge expenditure is not prepared, in all material respects, in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS.

**Basis of Accounting and Restriction on Distribution and Use**

Our report is made in accordance with the terms of our engagement and is intended solely for the Manager to issue to current occupiers. This report should not be distributed to or used by other parties. Our work has been undertaken to enable us to make this report to the Manager and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Manager in connection with the report or this engagement.



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