



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

**Imperial Buildings**

**Gallowtree Gate**

**Leicester**

**LE1 1JB**

**Service Charge Expenditure Report**

**29<sup>th</sup> September 2016 to 28<sup>th</sup>  
September 2017**



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## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord, Jordan Developments (UK) Limited. It is intended to provide details of the expenditure incurred during the service charge year ending 28th September 2017.

## **The Property**

The property is located within Leicester city centre at the junction of Gallowtree Gate with Halford Street. It comprises five storey building with retail accommodation fronting Gallowtree Gate and Halford Street on ground floor and basement together with four storeys of offices situated above with a communal entrance from Halford Street.

Internal common areas include the office entrance, stairs, corridors and toilets together with external fire escape serving all parts of the building.

## **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 report is to provide a clear and detailed explanation of all expenditure incurred at the Property during the service charge year. We endeavour to promote clarity and transparency and to be accountable to all of the tenants.

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 the Service Charges in Commercial Property 3<sup>rd</sup> Ed.; 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 expenditure is apportioned having regard to fixed percentages stated in each Lease.

The service charge percentages are detailed within Service Charge Apportionment Percentages, Appendix A.



**Expenditure Commentary**

**SCHEDULE 1**

*All figures are shown net of VAT*

- **Building Repairs** **£989.72**

Adhoc repairs including leak, clearing out gutters and down pipes.

- **Decoration - external** **£0.00**

There were no decoration works in this service charge year.

- **Electricity Supply** **£922.80**

This is the cost of the electricity supply for the common areas.

- **Audit Fee** **£225.00**

This is the cost for the service charge accounts to be independently certified by external accountants.

- **Management Fees** **£1,150.00**

The Management Fee covers the cost of managing the provision of services and contracts at the property, together with the service charge administration. It is a fixed fee that has been agreed with the landlord.

**Total**

**Schedule 1** **£3,287.52**

.....  
Management Surveyor

Dated 8<sup>th</sup> August 2018

.....  
Facilities Manager

Dated 8<sup>th</sup> August 2018



**Appendix A**

**Imperial Buildings, Gallowtree Gate, Leicester, LE1 1JB**

**Service Charge Apportionment Schedule**

**29th September 2016 to 28th September 2017**

<b>Unit</b>	<b>Tenant</b>	<b>Apportionment</b>
2 Halford Street	The Independent Travel Co. Ltd	15.0%
58 gallowtree Gate	Nero Holdings Limited	35.0%
Upper Floors, Halford Street	Landlord (Void)	50.0%
<b>Total</b>		<b>100.00%</b>



**Appendix B**

**Imperial Buildings, Gallowtree Gate, Leicester, LE1 1JB**

**Service Charge Variance Schedule**

**29th September 2016 to 28th September 2017**

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

<b>Service Charge Item</b>	<b>Schedule</b>	<b>Budget 2016/2017</b>	<b>Actual 2016/2017</b>	<b>Budget v Actual Variance %</b>	<b>Budget v Actual Variance £</b>
Cleaning	1	£ 300	£ -	-100.00%	-£ 300.00
Building Repair	1	£ 2,000	£ 989.72	-50.51%	-£ 1,010.28
Decoration - External	1	£ 125	£ -	-100.00%	-£ 125.00
Electricity Supply	1	£ 1,450	£ 922.80	-36.36%	-£ 527.20
Fire Prevention	1	£ 150	£ -	-100.00%	-£ 150.00
Repairs - External	1	£ -	£ -	100.00%	£ -
Health & Safety	1	£ 250	£ -	-100.00%	-£ 250.00
Audit Fees	1	£ 250	£ 225.00	-10.00%	-£ 25.00
Management Fees	1	£ 1,150	£ 1,150.00	0.00%	£ -
<b>Total</b>		<b>£ 5,675</b>	<b>£ 3,287.52</b>	<b>-42.07%</b>	<b>-£ 2,387.48</b>



**Appendix C**

**JORDAN DEVELOPMENTS (UK) LIMITED**

**IMPERIAL BUILDINGS,  
GALLOWTREE GATE, LEICESTER**

**SERVICE COSTS AUDIT STATEMENT**

**YEAR ENDED 28TH SEPTEMBER 2017**





**Imperial Buildings**  
**Gallowtree Gate, Leicester**  
**Certificate of Service Costs for the year ended 28th September 2017**

	2017	2016
Building repair	989.72	962.50
Decoration - external	-	250.00
Electricity supply	922.80	1,121.10
Fire prevention	-	240.00
Audit fees	225.00	225.00
Management fees	1,150.00	1,153.17
Health & Safety	-	445.00
<b>Total expenditure</b>	<b><u>3,287.52</u></b>	<b><u>4,396.77</u></b>

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

**Independent Accountant's Review Report**

To the Manager, Gallowtree Gate

We have reviewed the statement of service charge expenditure for the above property for the year ended 28 September 2017. 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.

Haines Watts  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF



**JORDAN DEVELOPMENTS (UK) LIMITED**  
**IMPERIAL BUILDINGS, GALLOWTREE GATE, LEICESTER**  
**Proof of Certificates totalling costs per**  
**Cost Schedule**

Service Charge Certificates Raised

	1,150.63
	493.13
Total raised	<u>1,643.76</u>
Total costs per schedule	<u>3,287.52</u>
Difference	<u>(1,643.76)</u>
Only 50% charge (50% void to landlord)	1,643.76
Revised difference	<u>-</u>