



JOHNSON FELLOWS
CHARTERED SURVEYORS

Wing Yip Business Centre

395 Edgware Road

Cricklewood

London NW2 6LN

Service Charge Budget Report

1st October 2021 –

30th September 2022



Contents

Introduction

The Property

Service Charge Objectives

VAT

Voids and Concessions

Banking

Reserve Fund

Service Charge Apportionment

Management Team

Budget Commentary

Budget Approval

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, W Wing Yip & Brothers Property and Investments Ltd. It is intended to provide details of the planned expenditure for the service charge period 1st October 2021 to 30th September 2022.

Enclosed within this report is a copy of the Service Charge Variance Schedule and Service Charge Apportionment Schedule.

The service charge is administered having regard to RICS Professional Statement; Service Charges in Commercial Property; 1st Edition.

The Property

The property is located on A5 Edgware Road within the north-west London area of Cricklewood. It is approximately 500m from J1 of the M1 Motorway and the North Circular Road. The City of London is approximately 5 miles to the south.

The Business Centre is a purpose built office and retail premises with brick facades under a pitched tiled roof. It adjoins the Wing Yip Superstore, which is part of the wider Wing Yip estate, including underground car parking, warehousing and the China House office building.

The ground floor of the property is occupied by the Wing Tai Restaurant and the Reindeer Cafe. The first floor is divided into cellular office suites with communal WC facilities. Wing Tai Restaurant has its own dedicated entrance. The first floor businesses have a shared ground floor entrance leading to a staircase and passenger lift.

The primary services provided for the property consist of internal cleaning of communal parts, utility consumption, lift maintenance, waste management, site security and external landscaping and maintenance.

Service Charge Objectives

The objective of Johnson Fellows as Managing Agent is to provide a high quality management service. In so doing we aim to provide a well maintained environment, delivering value for money for the service charge expenditure.

The objective of this report is to provide a clear explanation for the recovery 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 tenants to budget accurately for the forthcoming period.

Should any occupier have comments on the format, or the information contained in this report which would assist in the report being improved for the benefit of all concerned, these comments would be welcomed. We would also welcome constructive feedback on the communal services provided at the property.

VAT

The property is elected for VAT, consequently the expenditure stated within this report is net of VAT.



Voids and Concessions

Where any void units exist, the responsibility for the service charge rests with the Landlord.

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 the late payment of service charge by tenants is to be credited to the service charge.

Reserve Fund

There is no reserve fund.



Service Charge Apportionment

The apportionment for each schedule is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

Three separate schedules have been adopted. Schedule 1 provides costs for the Business Centre, Schedule 2 the wider estate costs and Schedule 3 relates to waste management.

Schedule One All occupiers

Schedule Two All occupiers

Schedule Three First floor occupiers only

The apportionment percentages are calculated based on net internal floor areas.



Management Team

Management Surveyor:

Ian Starbuck
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0462
Mobile: 07887 745 635
Email: ian.starbuck@johnsonfellows.co.uk

Ian Starbuck is responsible for the overall management of the property.

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.

Site Manager:

Clive Manyeza
Mobile: 07711 396 763

Clive is on site one day per week and is responsible for litter picking, landscaping, minor items of repair and maintenance and tenant liaison for urgent matters.

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.



Budget Commentary

All figures are shown net of VAT

SCHEDULE 1 - Business Centre Costs - All Occupiers

- **Internal Cleaning** **£12,500.00**

The cost heading is for the cleaning contract for the communal areas of the Business Centre. The contractor attends 2 hours per day. The budget has been increased for the new year in anticipation of increased wages and the inclusion of the entrance mat cleaning.

- **Pest Control** **£925.00**

The budget heading is for the pest control contract for the Business Centre with Rentokil. It has been maintained at the same level.

- **Toilet Requisites** **£750.00**

The cost heading covers toilet consumables and cleaning items. The budget has been maintained at the same level.

- **Window Cleaning** **£700.00**

The budget covers the cost of the window cleaning contract for the Business Centre based on quarterly visits costing £175. The budget has been increased in line with the contract costs.

- **Estate Cleaning (Drainage)** **£900.00**

The budget relates to the drainage cleaning at the estate. It has been maintained at the same level.

- **External Landscaping** **£0.00**

The grounds maintenance and landscaping works are dealt with in house and are dealt with by the Site Manager. They are not charged separately.

- **External Repairs & Maintenance** **£500.00**

The estimated expenditure is a contribution towards the repair and maintenance of any external building items that the Site Manager is unable to deal with. It has been maintained at the same level.

- **Internal Repairs & Maintenance** **£4,000.00**

The estimated expenditure has been maintained at the same level as last year and is twofold. There is a contingency sum for any unforeseen repairs and maintenance to the communal areas. This reflects the work that the Site Manager will be able to complete. The second element allows for the completion of essential works as recommended within the Fire Risk Assessment.



- **Electricity** **£5,000.00**

The cost heading relates to the electricity consumption within the common areas of the Business Centre. The budget has been maintained at the same level.

- **Gas** **£2,500.00**

The budget relates to the gas consumption for the heating of the communal areas of the Business Centre. The budget has been maintained at the same level.

- **Water Charges** **£1,000.00**

The estimated expenditure relates to the water rates for the common areas of the Business Centre. The budget has been reduced based on last years expenditure.

- **Lift Maintenance Contract** **£1,090.00**

The cost heading is for the annual maintenance contract for the passenger lift within the Business Centre. The contract consists of 10 visits per annum. It has been maintained at the same level.

- **Lift Repairs** **£2,000.00**

The heading allows a contingency sum for any unforeseen repairs that are required to the lift during the year. The budget has been maintained at the same level.

- **M&E Maintenance Contract** **£6,500.00**

The budget heading covers the costs for the weekly testing of the fire alarm, lightning protection, emergency lighting and boiler service. It has been increased marginally to allow for the anticipated rise in the contract costs.

- **M&E Repairs** **£3,000.00**

The budget heading provides a contingency for repairs to the Landlord's M&E equipment. It has been maintained at the same level.

- **Security Systems** **£300.00**

The budget heading covers the cost of the annual CCTV maintenance contract. It has been maintained at the same level.

- **Health & Safety** **£1,500.00**

The budget covers the costs of completing the annual legionella, health and safety and fire risk assessments. It has been increased for the new year due to the additional requirement to complete a fire strategy plan.



- **Staff Costs** **£4,407.00**

The heading represents the Site Manager's costs in respect of the Business Centre. The Site Manager is at the property one day per week and is responsible for landscaping, minor items of repair and maintenance and tenant liaison for urgent matters. Overall, we believe that this results in cost savings, whilst also improving the service. The budget has been maintained at the same level.

- **Audit Fee** **£700.00**

The cost heading allows for the year end accounts to be certified by an independent accountant as recommended by the RICS Service Charge Professional Statement. The budget has been maintained at the same level.

- **Planned Preventative Maintenance** **£3,000.00**

The budget figure allows for a Building Surveyor to prepare a Planned Preventative Maintenance Report for the property. This is recognised as good estate management. It will identify any unforeseen maintenance requirements, avoid significant unexpected expenditure and allow accurate budgeting with costs being spread.

- **Management Fee** **£7,603.00**

This figure represents the costs incurred for the management of the property, administration of the service charge and completing periodic inspections. The RICS Service Charge Professional Statement recommends that this be a fixed fee, subject to annual review or indexation. The budget has been increased in line with the Retail Price Index that has shown a 3.86% increase in the past 12 months.

- **Facilities Management** **£4,320.00**

The figure represents the costs incurred to organise and supervise the various contracts in place, deal with items of maintenance, ensuring compliance and complete regular site inspections. The budget has been increased in line with the Retail Price Index that has shown a 3.86% increase in the past 12 months.

Total

Schedule 1 **£63,195.00**



SCHEDULE 2 - Estate Costs - All Occupiers

- **External Repairs & Maintenance** **£750.00**

The budget figure is the Business Centre's contribution towards any wider communal repairs at the site. It has been maintained at the same level.

- **Electricity** **£2,000.00**

The budget heading is the contribution towards the external communal electricity consumption. It has been maintained at the same level.

- **Security Guarding** **£19,500.00**

The budget figure is the Business Centre's contribution towards the 24/7 site security guarding. The budget has been maintained at the same level.

Total

Schedule 2 **£22,250.00**

SCHEDULE 3 – First Floor Occupiers Only

- **Waste Management** **£1,600.00**

The costs allow for the refuse collection for all first floor Business Centre occupiers. The restaurants maintain their own contracts. The budget has been increased for the new year in anticipation of increased contract costs.

Total

Schedule 3 **£1,600.00**



Budget Approval

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Facilities Manager

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Partner

Dated 1st September 2021

Dated 1st September 2021



Appendix A

Wing Yip Business Centre, Cricklewood

Service Charge Apportionment Schedule

1st October 2021 - 30th September 2022

Unit	Schedule	Area Sq Ft	Percentage
Unit 2 Gnd Floor	1	6,023	36.31%
Unit 3 Gnd Floor	1	2,606	15.71%
Unit 5 1st Floor	1	337	2.03%
Unit 6 1st Floor	1	540	3.26%
Unit 7 1st Floor	1	717	4.32%
Unit 8 1st Floor	1	643	3.88%
Unit 9 1st Floor	1	732	4.41%
Unit 10 1st Floor	1	698	4.21%
Unit 11 1st Floor	1	724	4.37%
Unit 12 1st Floor	1	632	3.81%
Unit 13 1st Floor	1	606	3.65%
Unit 15 1st Floor	1	710	4.28%
Unit 16 1st Floor	1	708	4.27%
Unit 17 1st Floor	1	910	5.49%
1 Total		16,586	100.00%
Unit 2 Gnd Floor	2	6,023	36.31%
Unit 3 Gnd Floor	2	2,606	15.71%
Unit 5 1st Floor	2	337	2.03%
Unit 6 1st Floor	2	540	3.26%
Unit 7 1st Floor	2	717	4.32%
Unit 8 1st Floor	2	643	3.88%
Unit 9 1st Floor	2	732	4.41%
Unit 10 1st Floor	2	698	4.21%
Unit 11 1st Floor	2	724	4.37%
Unit 12 1st Floor	2	632	3.81%
Unit 13 1st Floor	2	606	3.65%
Unit 15 1st Floor	2	710	4.28%
Unit 16 1st Floor	2	708	4.27%
Unit 17 1st Floor	2	910	5.49%
2 Total		16,586	100.00%
Unit 5 1st Floor	3	337	4.23%
Unit 6 1st Floor	3	540	6.79%
Unit 7 1st Floor	3	717	9.01%
Unit 8 1st Floor	3	643	8.08%
Unit 9 1st Floor	3	732	9.20%
Unit 10 1st Floor	3	698	8.77%
Unit 11 1st Floor	3	724	9.10%
Unit 12 1st Floor	3	632	7.94%
Unit 13 1st Floor	3	606	7.62%
Unit 15 1st Floor	3	710	8.92%
Unit 16 1st Floor	3	708	8.90%
Unit 17 1st Floor	3	910	11.44%
3 Total		7,957	100.00%



Appendix B

Wing Yip Business Centre, Cricklewood

Service Charge Variance Schedule

1st October 2021 - 30th September 2022

The property is VAT registered. Figures for all schedules are shown net of VAT.

Service Charge Item	Schedule	Budget 2020-21	Budget 2021-22
Internal Cleaning	1	£ 11,000.00	£ 12,500.00
Pest Control	1	£ 925.00	£ 925.00
Toilet Requisites	1	£ 750.00	£ 750.00
Window Cleaning	1	£ 340.00	£ 700.00
Estate Cleaning	1	£ 900.00	£ 900.00
External Landscaping	1	£ -	£ -
External Repairs & Maintenance	1	£ 500.00	£ 500.00
Internal Repairs & Maintenance	1	£ 4,000.00	£ 4,000.00
Electricity	1	£ 5,000.00	£ 5,000.00
Gas	1	£ 2,500.00	£ 2,500.00
Water Charges	1	£ 2,420.00	£ 1,000.00
Lift Maintenance Contract	1	£ 1,090.00	£ 1,090.00
Lift Repairs	1	£ 2,000.00	£ 2,000.00
M&E Maintenance Contract	1	£ 6,000.00	£ 6,500.00
M&E Repairs	1	£ 3,000.00	£ 3,000.00
Security Systems	1	£ 300.00	£ 300.00
Health & Safety	1	£ 1,000.00	£ 1,500.00
Staff Costs	1	£ 4,407.00	£ 4,407.00
Audit Fee	1	£ 700.00	£ 700.00
Planned Preventative Maintenance	1	£ -	£ 3,000.00
Management Fee	1	£ 7,320.00	£ 7,603.00
Facilities Management	1	£ 4,159.00	£ 4,320.00
1 Total		£ 58,311.00	£ 63,195.00
External Repairs & Maintenance	2	£ 750.00	£ 750.00
Electricity	2	£ 2,000.00	£ 2,000.00
Security Guarding	2	£ 19,500.00	£ 19,500.00
2 Total		£ 22,250.00	£ 22,250.00
Waste Management	3	£ 1,200.00	£ 1,600.00
3 Total		£ 1,200.00	£ 1,600.00
TOTAL		£ 81,761.00	£ 87,045.00