JOHNSON FELLOWS

China House

401 Edgware Road

Cricklewood

London

NW2 6GY

Service Charge Budget Report

1st October 2026 –

30th September 2027

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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 2026 to 30th September 2027.

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; 2nd 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.

China House is a purpose built office building arranged over 4 levels. It has brick facades under a pitched tiled roof. There is dedicated car parking to the front and side of the property. It forms part of the wider Wing Yip site, which includes the Superstore, Business Centre, warehousing and underground car park.

The multi occupied property consists of cellular office suits on lower ground, ground, first and second floors. A dedicated ground floor communal entrance leads to two passenger lifts. There are communal kitchen and WC facilities.

The primary services provided for the property consist of cleaning of the communal parts, communal 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 budget 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

A Reserve Fund has been inherited from the previous regime. However, there is currently no ongoing collection within the service charge budget. The balance held is £7,544.72. Funds are held in a discrete bank account in order to obtain interest. The account is maintained with Barclays Bank plc, Kidderminster branch.

The funds will be used for future major items of expenditure.

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 China House, Schedule 2 the wider estate costs and Schedule 3 relates to the heating system for the lower ground and ground floor.

Schedule One	All occupiers
Schedule Two	All occupiers
Schedule Three	Lower ground and ground floor occupiers only

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

Management Team

Management Surveyor:

Ian Starbuck
Johnson Fellows, 180 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:

Daniel Blakeman
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0409
Mobile: 07786 072 755
Email: daniel.blakeman@johnsonfellows.co.uk

Daniel Blakeman is responsible for the repair and maintenance of the property and statutory compliance.

Help Desk Manager:

Jay Chauhan
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0409
Mobile: 07763 564705
Email: helpdesk@JohnsonFellows.co.uk

Jay Chauhan is the Help Desk Manager and is responsible for dealing with urgent reactive maintenance and repair.

Service Charge Accountant:

Paul Evans
Client Account
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0405
Email: paul.evans@johnsonfellows.co.uk

Paul Evans 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** **£18,420.00**

The cost heading is for the cleaning contract for the communal areas of China House. The contractor attends 2.5 hours per day, Monday to Friday. The budget has been increased in line with the contract costs.

- **Pest Control** **£720.00**

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

- **Waste Management** **£6,000.00**

The cost heading is for the communal refuse disposal contract for China House. There is also a contingency for fly tipping removal. The budget has been increased based on last year's costs.

- **Toilet Requisites** **£2,000.00**

The budget covers toilet consumables, cleaning items and feminine hygiene bins. It has been maintained in line with expenditure in the previous year.

- **Window Cleaning** **£5,280.00**

The budget covers the cost of the window cleaning contract for China House. This is based on the current contract rates of a low level monthly clean at £280 and a high level quarterly clean at £480. The costs have been maintained at the same level.

- **External Landscaping** **£4,750.00**

The cost heading covers the litter picking and weeding contract. This is held by Premier Support Services Ltd following a re-tender. It also now includes the China House contribution towards the cleaning of the shared surface car park area. Previously this wasn't maintained. The budget has been increased to allow for this and account for a rise in the contract cost.

- **External Repairs & Maintenance** **£2,000.00**

The budget allows for any works to the exterior and structure of China House. No specific works are proposed so it has been maintained at the same level.

- **Internal Repairs & Maintenance** **£3,000.00**

The budget contains a contingency sum for any unforeseen repairs and maintenance to the communal areas. It has been maintained at the same level.

- **Drainage** **£5,500.00**

This is a new cost heading that has been introduced due to the need to proactively maintain the drainage systems for the building and the estate to prevent costly reactive repairs. The budget covers the PPM contract for the internal and external drains for China House. It also includes a contribution towards the wider estate foul and surface water drainage systems.

- **Signage** **£500.00**

This cost heading provides a contingency for the tenant sign board in the reception area to be updated as required. It has been maintained at the same level.

- **Electricity** **£18,500.00**

The cost heading relates to the electricity consumption within the common areas of the property. The budget has been reduced based on last year's expenditure.

- **Gas** **£11,000.00**

The budget relates to the gas consumption for the heating of the communal areas of the property. The budget has been increased based on last year's expenditure.

- **Water Charges** **£9,000.00**

The estimated expenditure relates to the water rates for the common areas of the property. The budget has been increased based on last year's expenditure.

- **Lift Maintenance Contract** **£2,500.00**

The cost heading is for the annual maintenance contract for the passenger lifts within the property. The contract consists of 10 visits per annum. The budget has been maintained at the same level.

- **Lift Repairs** **£1,000.00**

The cost heading allows a contingency sum for any unforeseen repairs that are required to the lift during the year. With no specific works proposed the budget has been maintained at the same level.

- **M&E Maintenance Contract** **£11,900.00**

The cost heading covers the ppm contract cost for the weekly testing of the fire alarm, fire alarm maintenance, fire extinguisher checks, lightning protection, emergency lighting, boiler service. The budget has been increased based on last year's expenditure and the rise in contract costs. It is proposed that the contract be re-tendered within this service charge year to ensure best value.

- **M&E Repairs** **£6,000.00**

The budget heading provides a contingency for repairs to the Landlord's M&E equipment. It has been increased for the new year due to last year's expenditure being significantly above budget.

- **Security Equipment** **£500.00**

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

- **Health & Safety** **£1,600.00**

The budget covers the costs of completing the annual health & safety, fire risk and water risk assessments. It has been maintained at the same level.

- **Help Desk** **£553.00**

A 24 hour/7 day a week Help Desk has been set up to allow all occupiers to speak with a dedicated operative and report urgent items of repair and maintenance. This will ensure that matters can be handled promptly without delay. The budget has been increased in line with the Retail Price Index, which has risen by 2.97% over the past 12 months.

- **Audit Fees** **£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.

- **Management Fees** **£9,874.00**

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 Retail Price Index has shown a 2.97% increase in the past 12 months.

- **Facilities Management** **£5,610.00**

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 fee is fixed subject to annual indexation. The Retail Price Index has shown a 2.97% increase in the past 12 months.

Total

Schedule 1 **£126,907.00**

SCHEDULE 2 - Estate Costs - All Occupiers

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

The budget figure is the Business Centre's contribution towards any wider communal maintenance at the site. In this instance it relates to the annual drainage cleaning. It has been maintained at the same level.

- **Electricity** **£2,700.00**

The budget heading is the contribution towards the external communal electricity consumption. It has been increased in line with last year's expenditure.

- **Security Guarding** **£21,000.00**

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

- **Gritting** **£1,650.00**

The cost heading is China House's contribution towards the gritting of the wider estate. It has been increased based on last year's expenditure.

Total

Schedule 2 **£25,850.00**

SCHEDULE 3 - Heating – Lower Ground & Ground Floor Occupiers Only

- **Mechanical & Electrical Repairs** **£3,150.00**

The cost heading allows for the maintenance of the heating system and servicing of the air conditioning that the occupiers of the lower ground and ground floor suites benefit from. It has been increased based on a rise in the contract cost.

Total

Schedule 3 **£3,150.00**

Budget Approval



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Partner

Dated 1st September 2026

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Appendix A

China House, 401 Edgware Road, Cricklewood

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 01/10/2026-30/09/2027

Ref	Unit	Area Sq Ft	Schedule 1	Schedule 2	Schedule 3
0001	**Unit 1 Lower Gnd Floor**	1,229	7.17%	7.17%	13.72%
0002	**Units 2&3 Lower Gnd Floor**	2,100	12.26%	12.26%	23.45%
0003	**Unit 4 Lower Gnd Floor**	1,000	5.84%	5.84%	11.17%
0004	**Unit 2A Ground Floor**	2,516	14.69%	14.69%	28.09%
0005	**Unit 2B Ground Floor**	2,111	12.32%	12.32%	23.57%
0006	**Unit 101 First Floor**	840	4.90%	4.90%	0.00%
0007	**Unit 102 First Floor**	742	4.33%	4.33%	0.00%
0008	**Unit 103 First Floor**	720	4.20%	4.20%	0.00%
0009	**Unit 105 First Floor**	592	3.46%	3.46%	0.00%
0010	**Unit 106 First Floor**	710	4.14%	4.14%	0.00%
0011	**Unit 107 First Floor**	527	3.08%	3.08%	0.00%
0012	**Unit 201 Second Floor**	710	4.14%	4.14%	0.00%
0013	**Unit 202 Second Floor**	742	4.33%	4.33%	0.00%
0014	**Unit 203 Second Floor**	732	4.27%	4.27%	0.00%
0015	**Unit 205 Second Floor**	602	3.51%	3.51%	0.00%
0016	**Unit 206 Second Floor**	721	4.21%	4.21%	0.00%
0017	**Unit 207 Second Floor**	538	3.14%	3.14%	0.00%
	Total	**17,132**	**100.00%**	**100.00%**	**100.00%**

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Appendix B

China House, 401 Edgware Road, Cricklewood

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 01/10/2026-30/09/2027

*Amounts in gbp

Code	Description	Budget Yr End 2026	Budget Yr End 2027	Variance
1	**Schedule 1**			
5100-0101	Management Fee	9,589.00	9,874.00	285.00
5100-0203	S/C Audit Fees	700.00	700.00	0.00
5100-0302	Help Desk	537.00	553.00	16.00
5100-0309	Facilities Manager	5,448.00	5,610.00	162.00
5100-0401	Landlords risk assessments, audits & reviews	1,600.00	1,600.00	0.00
5100-0408	Signage	500.00	500.00	0.00
5200-0501	Electricity	20,000.00	18,500.00	-1,500.00
5200-0601	Gas	8,500.00	11,000.00	2,500.00
5200-0801	Water and Sewage Charges	6,000.00	9,000.00	3,000.00
5300-0902	Security Systems	500.00	500.00	0.00
5300-1001	Internal Cleaning	17,000.00	18,420.00	1,420.00
5300-1003	Window Cleaning	5,280.00	5,280.00	0.00
5300-1004	Hygiene Services/Toiletries	2,000.00	2,000.00	0.00
5300-1007	Pest Control	720.00	720.00	0.00
5300-1009	External Landscaping	3,750.00	4,750.00	1,000.00
5300-1014	Refuse Collection	5,500.00	6,000.00	500.00
5300-1016	Drainage	0.00	5,500.00	5,500.00
5400-1201	M&E Maintenance Contract	9,500.00	11,900.00	2,400.00
5400-1202	M&E Repairs	4,000.00	6,000.00	2,000.00
5400-1301	Lift Maintenance Contract	2,500.00	2,500.00	0.00
5400-1302	Lift Repairs	1,000.00	1,000.00	0.00
5400-1501	Internal Repairs and Maintenance	3,000.00	3,000.00	0.00
5400-1502	External Repairs and Maintenance	2,000.00	2,000.00	0.00
	Schedule Total	**109,624.00**	**126,907.00**	**17,283.00**
2	**Schedule 2**			
5200-0501	Electricity	2,500.00	2,700.00	200.00
5300-0901	Security Guarding	21,000.00	21,000.00	0.00
5300-1010	Snow clearance / Gritting	1,000.00	1,650.00	650.00
5400-1502	External Repairs and Maintenance	500.00	500.00	0.00
	Schedule Total	**25,000.00**	**25,850.00**	**850.00**
3	**Schedule 3**			
5400-1202	M&E Repairs	3,000.00	3,150.00	150.00
	Schedule Total	**3,000.00**	**3,150.00**	**150.00**
	Total	**137,624.00**	**155,907.00**	**18,283.00**