



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

**Maple Industrial Estate**

**Hyde Road**

**Manchester**

**M12 5AQ**

**Service Charge Budget Report**

**1<sup>st</sup> October 2020 –**

**30<sup>th</sup> September 2021**



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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 Commercial Ltd. It is intended to provide details of the planned expenditure for the service charge period 1<sup>st</sup> October 2020 to 30<sup>th</sup> September 2021. The initial service charge was run for a period of 9 months in order to bring it in line with the Landlord's financial year end. It will now operate on a conventional 12 month basis.

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

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

## **The Property**

Maple Industrial Estate is located on the A57 Hyde Road, approximately 1 mile east of Manchester City Centre. Vehicle access into the estate is provided from Bennett Street. Direct access to the motorway network is via J24 of the M60, 3 miles to the east.

Maple Industrial Estate is a former tram depot. It provides a mixture of warehousing and industrial units within its main building. The majority of units are accessed from a central covered mall. The units are largely single storey, although some mezzanine levels have been installed. There is a two storey block to the front of the main building that would originally have been the depot offices. In addition, the railway arches to the north of the estate provide several storage and business units. The physical structures of the railway arches remain under the ownership of Network Rail.

All of the buildings on the estate are of brick construction under industrial style pitched tiled roofs.

The primary services provided for the property consist of cleaning and landscaping of the communal parts, building repairs and site security.

## **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, or the lease provisions do not permit the full recovery, 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.

A new schedule has been added for this service charge year, meaning that three separate schedules are now adopted. Schedule 1 covers the costs for the external areas of the estate. Schedule 2 covers the costs for the main building and the mall. Schedule 3 relates purely to electrical repairs. This has been separated from Schedule 1 as some of the Arches do not have a power supply.

Schedule One	All occupiers
Schedule Two	Non-Arch occupiers
Schedule Three	All occupiers with a power supply

Where services are shared across schedules, they are split based on the remaining expenditure within each schedule. The current split is 71% Schedule 1 and 29% Schedule 2.



## **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](mailto: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](mailto:chris.monteith@johnsonfellows.co.uk)

Chris Monteith is responsible for the repair and maintenance of the property and statutory compliance.

### Site Manager:

Ashley Clayton  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Mobile: 07860 207 355

Ashley Clayton is on site one day per week and is responsible for 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](mailto: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 – External Costs - All Occupiers**

- **Cleaning** **£5,000.00**

The cost heading is for the cleaning of the communal toilet facilities. This is based on a contract of two visits per week, a one off deep clean, consumables and a contingency sum for any additional works. The budget has been maintained at the same level.

- **Plumbing Repairs** **£1,000.00**

The cost heading is for any plumbing repairs required to the toilet facilities. The budget has been maintained at the same level.

- **Pest Control** **£1,500.00**

The budget heading is for the pest control contract for the estate. It has been increased for the new year to reflect the level of expenditure last year.

- **External Landscaping** **£500.00**

The budget is for the weed treatment and cutting back of vegetation at the estate. It has been reduced for the new year to reflect the work that the Johnson Fellows Site Manager will complete. The main expense is for materials.

- **Drain Maintenance** **£1,000.00**

The budget cost is for the annual flush out of the communal drainage system at the estate. It has been maintained at the same level.

- **External Repairs & Maintenance** **£10,000.00**

The budgeted expenditure is for the commencement of pot hole and patch repairs to the estate road. It has been maintained at the same level.

- **Electricity** **£3,000.00**

The cost heading relates to the estimated electricity consumption for the external lighting, CCTV and guard hut. It has been increased based on last years consumption.

- **Water Charges** **£500.00**

The estimated expenditure relates to the water consumption for the communal toilets. The budget has been reduced slightly.

- **Health & Safety** **£533.00**

The budget covers the costs of completing the annual health & safety and fire risk assessment for the external areas. It has been reduced following completion of the flood risk assessment.



- **Security** **£100,000.00**

The cost heading covers the cost of the security guarding for the estate for which there is 24 hours a day, 365 days a year coverage. It has been reduced slightly for the new year following a contract re-tender. The budget also allows for the provision of new CCTV equipment.

- **Gritting** **£500.00**

The estimated expenditure is for the provision of grit for the estate road during the winter months. It has been maintained at the same level.

- **Staff Costs** **£2,961.00**

The cost heading has been added to the budget for the new year. It 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 anticipate that this will result in cost savings, whilst also improving the service. It has been maintained at the same level.

- **Audit Fee** **£355.00**

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.

- **Management Fee** **£6,051.00**

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 review or indexation. The fee has been increased in line with RPI, which has seen an increase of 0.27% since the first budget was set.

- **Facilities Management** **£2,848.00**

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 RICS Service Charge Professional Statement recommends that this be a fixed fee, subject to review or indexation. The fee has been increased in line with RPI, which has seen an increase of 0.27% since the first budget was set.

**Total**

**Schedule 1** **£135,748.00**



## **SCHEDULE 2 – Main Building – Non-Arch Occupiers**

- **Cleaning** **£0.00**

The budget heading provided for the sweep of all internal areas of the mall. This is now picked up by the Johnson Fellows Site Manager.

- **Building Repairs** **£30,000.00**

The cost heading covers repairs to the main building structure and roof. It has been increased significantly for the new year as a result of recent essential roof works. Completed by September 2020, the total cost of nearly £100,000 has been forward funded by the landlord. It is proposed that the landlord be reimbursed from the service charge over a 5 year period. An initial instalment of £20,000 will be made for this year. The remaining £10,000 within the budget is a contingency sum for ongoing building repairs.

- **Sprinklers** **£3,750.00**

The budget provides for the annual maintenance contract and associated essential repairs for the communal sprinkler system.

- **Fire Prevention** **£250.00**

The cost heading is for the annual maintenance of the fire alarm panel on site. The budget has been reduced based on last years expenditure.

- **Electricity** **£1,350.00**

The budget heading is for the communal electricity consumption within the mall area. It has been maintained at the same level.

- **Health & Safety** **£217.00**

The cost heading is for the completion of the annual health & safety and fire risk assessments for the mall area.

- **Staff Costs** **£1,210.00**

The cost heading has been added to the budget for the new year. It 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 anticipate that this will result in cost whilst also improving the service. It has been maintained at the same level.

- **Audit Fee** **£145.00**

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.



- **Management Fee** **£2,472.00**

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 review or indexation. The fee has been increased in line with RPI, which has seen an increase of 0.27% since the first budget was set.

- **Facilities Management** **£1,163.00**

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 RICS Service Charge Professional Statement recommends that this be a fixed fee, subject to review or indexation. The fee has been increased in line with RPI, which has seen an increase of 0.27% since the first budget was set.

**Total**

**Schedule 2** **£40,557.00**

***SCHEDULE 3 – Electrical Repair – All Occupiers with a power supply***

- **Electrical Repair** **£20,000.00**

The cost heading relates to urgent and essential repairs that are required following the completion of the landlord's electrical fixed wire test. The total cost of the first phase of the essential works is £70,000. This will be forward funded by the landlord. It is proposed that the landlord be reimbursed from the service charge over a 4-year period. An initial instalment of £17,500 will be made for this year. The remaining £2,500 within the budget is a contingency sum for ongoing repairs.

**Total**

**Schedule 3** **£20,000.00**



**Budget Approval**

A handwritten signature in black ink, appearing to read 'C. Kenton'.

A handwritten signature in black ink, appearing to read 'Paul Starbuck'.

.....  
Facilities Manager

Dated 14<sup>th</sup> December 2020

.....  
Partner

Dated 14<sup>th</sup> December 2020



## Appendix A

### Maple Industrial Estate, Manchester

### Service Charge Apportionment Schedule

1st October 2020 - 30th September 2021

Unit	Schedule	Area Sq Ft	Percentage
Unit 1	1	15,247	6.56%
Unit 2	1	1,865	0.80%
Unit 3, 4B, 18A & 18B	1	36,603	15.74%
Unit 4	1	3,819	1.64%
Unit 4A	1	1,328	0.57%
Unit 5	1	6,933	2.98%
Unit 6, 10 & 19A	1	41,274	17.75%
Unit 7 & 8	1	13,136	5.65%
Unit 9	1	14,100	6.06%
Unit 11 & 19	1	5,683	2.44%
Unit 12	1	7,839	3.37%
Unit 13	1	20,524	8.82%
Unit 14A	1	1,244	0.53%
Unit 14B	1	498	0.21%
Unit 14C	1	849	0.37%
Unit 14D	1	156	0.07%
Unit 15	1	8,449	3.63%
Unit 16	1	1,742	0.75%
Unit 17	1	1,385	0.60%
Unit 19B	1	1,321	0.57%
Unit 19C	1	1,321	0.57%
Arch 1	1	2,726	1.17%
Arch 2	1	2,711	1.17%
Arch 3	1	2,824	1.21%
Arch 4	1	2,731	1.17%
Arch 5	1	2,743	1.18%
Arch 6	1	2,831	1.22%
Arch 7	1	2,796	1.20%
Arch 8	1	2,775	1.19%
Arch 9	1	2,826	1.22%
Arch 10	1	2,791	1.20%
Arch 11	1	2,796	1.20%
Arch 12	1	2,772	1.19%
Arch 13	1	2,765	1.19%
Arch 14	1	2,785	1.20%
Arch 15	1	2,777	1.19%
Arch 16	1	2,804	1.21%
Arch 17	1	2,806	1.21%
Advertising Hoarding	1	-	
<b>1 Total</b>		<b>232,575</b>	<b>100.00%</b>
Unit 1	2	15,247	8.23%
Unit 2	2	1,865	1.01%
Unit 3, 4B, 18A & 18B	2	36,603	19.75%
Unit 4	2	3,819	2.06%
Unit 4A	2	1,328	0.72%
Unit 5	2	6,933	3.74%
Unit 6, 10 & 19A	2	41,274	22.27%
Unit 7 & 8	2	13,136	7.09%
Unit 9	2	14,100	7.61%
Unit 11 & 19	2	5,683	3.07%
Unit 12	2	7,839	4.23%
Unit 13	2	20,524	11.08%
Unit 14A	2	1,244	0.67%
Unit 14B	2	498	0.27%
Unit 14C	2	849	0.46%
Unit 14D	2	156	0.08%
Unit 15	2	8,449	4.56%
Unit 16	2	1,742	0.94%
Unit 17	2	1,385	0.75%
Unit 19B	2	1,321	0.71%
Unit 19C	2	1,321	0.71%
<b>2 Total</b>		<b>185,316</b>	<b>100.00%</b>



**Appendix A (continued)**

Unit 1	3	15,247	7.07%
Unit 2	3	1,865	0.86%
Unit 3, 4B, 18A & 18B	3	36,603	16.97%
Unit 4	3	3,819	1.77%
Unit 4A	3	1,328	0.62%
Unit 5	3	6,933	3.21%
Unit 6, 10 & 19A	3	41,274	19.13%
Unit 7 & 8	3	13,136	6.09%
Unit 9	3	14,100	6.54%
Unit 11 & 19	3	5,683	2.63%
Unit 12	3	7,839	3.63%
Unit 13	3	20,524	9.51%
Unit 14A	3	1,244	0.58%
Unit 14B	3	498	0.23%
Unit 14C	3	849	0.39%
Unit 14D	3	156	0.07%
Unit 15	3	8,449	3.92%
Unit 16	3	1,742	0.81%
Unit 17	3	1,385	0.64%
Unit 19B	3	1,321	0.61%
Unit 19C	3	1,321	0.61%
Arch 1	3	2,726	1.26%
Arch 2	3	2,711	1.26%
Arch 4	3	2,731	1.27%
Arch 5	3	2,743	1.27%
Arch 9	3	2,826	1.31%
Arch 10	3	2,791	1.29%
Arch 11	3	2,796	1.30%
Arch 12	3	2,772	1.28%
Arch 13	3	2,765	1.28%
Arch 14	3	2,785	1.29%
Arch 15	3	2,777	1.29%
<b>2 Total</b>		<b>215,739</b>	<b>100.00%</b>



**Appendix B**

**Maple Industrial Estate, Manchester**

**Service Charge Budget Schedule**

**1st October 2020 - 30th September 2021**

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

Service Charge Item	Schedule	Budget 2019-20	Budget 2020-21
Cleaning	1	£ 5,000.00	£ 5,000.00
Plumbing Repairs	1	£ 1,000.00	£ 1,000.00
Pest Control	1	£ 400.00	£ 1,500.00
External Landscaping	1	£ 1,500.00	£ 500.00
Drain Maintenance	1	£ 1,000.00	£ 1,000.00
External Repairs & Maintenance	1	£ 10,000.00	£ 10,000.00
Electricity	1	£ 1,500.00	£ 3,000.00
Water Charges	1	£ 600.00	£ 500.00
Health & Safety	1	£ 1,250.00	£ 533.00
Security	1	£ 103,000.00	£ 100,000.00
Gritting	1	£ 500.00	£ 500.00
Staff Costs	1	£ 3,754.00	£ 2,961.00
Audit Fee	1	£ 450.00	£ 355.00
Management Fee	1	£ 7,650.00	£ 6,051.00
Facilities Management	1	£ 3,600.00	£ 2,848.00
<b>1 Total</b>		<b>£ 141,204.00</b>	<b>£ 135,748.00</b>
Cleaning	2	£ 400.00	£ -
Building Repairs	2	£ 15,000.00	£ 30,000.00
Sprinklers	2	£ 5,000.00	£ 3,750.00
Fire Prevention	2	£ 500.00	£ 250.00
Electricity	2	£ 1,800.00	£ 1,350.00
Health & Safety	2	£ 200.00	£ 217.00
Staff Costs	2	£ 417.00	£ 1,210.00
Audit Fee	2	£ 50.00	£ 145.00
Management Fee	2	£ 850.00	£ 2,472.00
Facilities Management	2	£ 400.00	£ 1,163.00
<b>2 Total</b>		<b>£ 24,617.00</b>	<b>£ 40,557.00</b>
Electrical Repair	3	£ -	£ 20,000.00
<b>3 Total</b>		<b>£ -</b>	<b>£ 20,000.00</b>
<b>TOTAL</b>		<b>£ 165,821.00</b>	<b>£ 196,305.00</b>

Shared costs are split 71% Schedule 1 and 29% Schedule 2