



Maple Industrial Estate

Hyde Road

Manchester

M12 5AQ

Service Charge Budget Report

1st January 2020 –

30th September 2020



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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 1st January 2020 to 30th September 2020. The service charge will initially be run for a period of 9 months in order to bring the year end in line with the Landlord's financial year end. The following service charge period will run from 1st October 2020 to 30th September 2021.

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; 1st 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.

Two separate schedules have been 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 One All occupiers

Schedule Two Non-Arch occupiers

Where services are shared across both schedules, they are split based on the remaining expenditure within each schedule. The current split is 90% Schedule 1 and 10% 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

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:

Ashley Clayton
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Mobile: 07860 207 355
Email: ashley.clayton@johnsonfellows.co.uk

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

Rebecca Glover is the client accountant responsible for this property.



Budget Commentary

All figures are shown net of VAT

The budget figures provided are for the 9 month service charge period

Certain fixed costs will not be apportioned

SCHEDULE 1 – External Costs - All Occupiers

- **Cleaning** **£3,750.00**

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.

- **Plumbing Repairs** **£750.00**

The cost heading is for any plumbing repairs required to the toilet facilities.

- **Pest Control** **£300.00**

The budget heading is for the pest control contract for the estate.

- **External Landscaping** **£1,125.00**

The budget is for the 6 monthly weed treatment and cutting back of vegetation at the estate. The Johnson Fellows Site Manager will also be completing direct works in order to keep costs down.

- **Drain Maintenance** **£750.00**

The budget cost is for the annual flush out of the communal drainage system at the estate.

- **External Repairs & Maintenance** **£7,500.00**

The budgeted expenditure is for the commencement of pot hole and patch repairs to the estate road.

- **Electricity** **£1,125.00**

The cost heading relates to the estimated electricity consumption for the external lighting, CCTV and guard hut.

- **Water Charges** **£450.00**

The estimated expenditure relates to the water consumption for the communal toilets.

- **Health & Safety** **£1,250.00**

The budget covers the costs of completing the annual health & safety, fire risk assessment and flood risk assessment for the external areas.



- **Security** **£77,250.00**

The budget heading covers the cost of the security guarding for the estate for which there is 24 hours a day, 365 days a year coverage. The budget also provides for the update, maintenance and installation of additional cameras for the CCTV system.

- **Gritting** **£375.00**

The estimated expenditure is for the gritting of the estate road during the winter months.

- **Staff Costs** **£2,815.00**

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 over the previous regime, whilst also improving the service.

- **Audit Fee** **£450.00**

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** **£5,737.50**

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.

- **Facilities Management** **£2,700.00**

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 annual review or indexation.

Total

Schedule 1 **£106,328.00**

SCHEDULE 2 – Main Building – Non-Arch occupiers

- **Cleaning** **£300.00**

The budget figure is for the quarterly sweep of all internal areas of the mall.

- **Building Repairs** **£11,250.00**

The cost heading is for reactive repairs to the main building structure and roof. It will also cover the annual gutter clean.



- **Sprinklers** **£3,750.00**

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

- **Fire Prevention** **£375.00**

The cost heading is for the annual maintenance of the fire alarm panel on site.

- **Electricity** **£1,350.00**

The budget heading is for the communal electricity consumption within the mall area.

- **Health & Safety** **£200.00**

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

- **Staff Costs** **£312.75**

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 over the previous regime, whilst also improving the service.

- **Audit Fee** **£50.00**

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** **£637.50**

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.

- **Facilities Management** **£300.00**

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 annual review or indexation.

Total

Schedule 2 **£18,525.25**



Budget Approval

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Facilities Manager

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Partner

Dated 31st December 2019

Dated 31st December 2019



Appendix A

Maple Industrial Estate, Manchester

Service Charge Apportionment Schedule

1st January 2020 - 30th September 2020

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	-	
1 Total		232,575	100.00%
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%
2 Total		185,316	100.00%



Appendix B

Maple Industrial Estate, Manchester

Service Charge Budget Schedule

1st January 2020 - 30th September 2020

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

Service Charge Item	Schedule	Annual Budget 2019-20	Apportioned Budget 2019-20
Cleaning	1	£ 5,000.00	£ 3,750.00
Plumbing Repairs	1	£ 1,000.00	£ 750.00
Pest Control	1	£ 400.00	£ 300.00
External Landscaping	1	£ 1,500.00	£ 1,125.00
Drain Maintenance	1	£ 1,000.00	£ 750.00
External Repairs & Maintenance	1	£ 10,000.00	£ 7,500.00
Electricity	1	£ 1,500.00	£ 1,125.00
Water Charges	1	£ 600.00	£ 450.00
Health & Safety	1	£ 1,250.00	£ 1,250.00
Security	1	£ 103,000.00	£ 77,250.00
Gritting	1	£ 500.00	£ 375.00
Staff Costs	1	£ 3,754.00	£ 2,815.50
Audit Fee	1	£ 450.00	£ 450.00
Management Fee	1	£ 7,650.00	£ 5,737.50
Facilities Management	1	£ 3,600.00	£ 2,700.00
1 Total		£ 141,204.00	£ 106,328.00
Cleaning	2	£ 400.00	£ 300.00
Building Repairs	2	£ 15,000.00	£ 11,250.00
Sprinklers	2	£ 5,000.00	£ 3,750.00
Fire Prevention	2	£ 500.00	£ 375.00
Electricity	2	£ 1,800.00	£ 1,350.00
Health & Safety	2	£ 200.00	£ 200.00
Staff Costs	2	£ 417.00	£ 312.75
Audit Fee	2	£ 50.00	£ 50.00
Management Fee	2	£ 850.00	£ 637.50
Facilities Management	2	£ 400.00	£ 300.00
2 Total		£ 24,617.00	£ 18,525.25
TOTAL		£ 165,821.00	£ 124,853.25

Certain costs such as Audit Fee and Health & Safety remain fixed rather than being apportioned