



Wing Yip Business Centre

395 Edgware Road

Cricklewood

London NW2 6LN

Service Charge Expenditure Report

1st October 2019 –

30th September 2020



Contents

Introduction
The Property
Service Charge Objectives
VAT
Voids and Concessions
Banking
Reserve Fund
Service Charge Apportionment
Management Team
Expenditure Commentary
Expenditure 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 expenditure incurred during the service charge period 1st October 2019 to 30th September 2020.

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 of the service charge expenditure on a not for profit/not for loss basis. It is also to promote clarity and transparency.

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.



Expenditure Commentary

All figures are shown net of VAT

SCHEDULE 1 - Business Centre Costs - All Occupiers

- **Internal Cleaning** **£10,743.23**

The expenditure relates to the contract cost for the internal cleaning of the Business Centre, which came in above budget for the year due to additional Covid measures.

- **Toilet Requisites** **£299.82**

The expenditure relates to the provision of toilet consumables and cleaning materials. Whilst the costs were under budget, some items were included under the above heading.

- **Pest Control** **£924.00**

The expenditure is for the pest control contract for the Business Centre with Rentokil, which came in on budget.

- **Window Cleaning** **£340.00**

The costs incurred are for the window cleaning contract for the Business Centre, based on quarterly visits. The expenditure was in line with the budget.

- **Estate Cleaning (Drains)** **£902.00**

The expenditure is the Business Centre's contribution towards the cleaning of the drains at the estate. It was marginally above budget for the year.

- **External Landscaping** **£0.00**

No expenditure was incurred under this heading as the services are completed by the Johnson Fellows site manager.

- **External Repairs & Maintenance** **£0.00**

The cost heading allowed for a contribution towards any external building repair items. No expenditure was incurred.

- **Internal Repairs & Maintenance** **£2,277.90**

The budget allowed for refurbishment works to the communal kitchen and toilets, together with a contingency for any unforeseen repairs. The refurbishment works were not completed, but various repairs were. Overall the expenditure was below the budget figure.

- **Electricity** **£3,790.77**

The cost heading relates to the electricity consumption within the common areas of the Business Centre. Expenditure was under budget.



- **Gas** **£2,059.66**

The budget relates to the gas consumption for the heating of the communal areas of the Business Centre. The expenditure was under budget.

- **Water Charges** **£1,116.30**

The expenditure relates to the water rates for the common areas of the Business Centre. The costs came in below budget.

- **Lift Maintenance Contract** **£1,770.41**

The cost heading is for the annual maintenance contract for the passenger lift within the Business Centre. The expenditure was over budget, due to the inclusion of an engineer inspection.

- **Lift Repairs** **£0.00**

The budget allowed a contingency sum for any unforeseen repairs that were required to the lift during the year. No expenditure was incurred.

- **M&E Maintenance Contract** **£5,638.92**

The cost heading covers the contract cost for the weekly testing of the fire alarm, lightning protection, emergency lighting and boiler service. Total expenditure was marginally below budget.

- **M&E Repairs** **£9,700.53**

The budget heading provided a contingency for repairs to the Landlord's M&E equipment. The expenditure was significantly over budget, due to the replacement of a boiler, plus other unforeseen M&E repair works.

- **Health & Safety** **£595.00**

The heading allowed for the completion of the Landlord's risk assessments and audits. A health & safety and fire risk assessment was completed. The expenditure was under budget.

- **Staff Wages** **£4,407.00**

The heading relates to the costs of the Site Manager. 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. The expenditure was in line with the budget.

- **Security Systems** **£0.00**

The budget heading allowed for the maintenance of the CCTV equipment. No expenditure was incurred during the year.



- **Audit Fee** **£770.00**

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 cost was marginally above budget.

- **Management Fee** **£7,243.00**

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 fee was in line with the budget.

- **Facilities Management** **£4,115.00**

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 was in line with the budget.

Total

Schedule 1 **£56,693.54**



SCHEDULE 2 - Estate Costs - All Occupiers

- **External Repairs & Maintenance** **£0.00**

The heading allowed for the Business Centre's contribution towards any wider communal repairs at the site. No expenditure was incurred.

- **Electricity** **£4,339.64**

The expenditure heading is the contribution towards the external communal electricity consumption. Costs were above budget for the year.

- **Office Costs** **-£81.38**

The cost heading allows for a contribution towards the telephone services utilised by the site security guards. A credit has been applied following reconciliation.

- **Security Guarding** **£20,411.06**

The expenditure heading is the Business Centre's contribution towards the 24/7 site security guarding. The cost was slightly over the budget figure.

Total

Schedule 2 **£24,669.32**

SCHEDULE 3 – First Floor Occupiers Only

- **Waste Management** **£1,339.33**

The expenditure relates to the refuse collection contract for all first floor Business Centre occupiers. The restaurants maintain their own contracts. It was marginally above budget.

Total

Schedule 3 **£1,339.33**



Budget Approval

A handwritten signature in black ink, appearing to read 'A. Lantieri', written over a dotted line.

Facilities Manager

Dated 8th June 2021

A handwritten signature in black ink, appearing to read 'Paul Starbuck', written over a dotted line.

Partner

Dated 8th June 2021



Appendix A

Wing Yip Business Centre, Cricklewood

Service Charge Apportionment Schedule

1st October 2019 - 30th September 2020

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 2019 - 30th September 2020

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

Service Charge Item	Schedule	Budget 2019-20	Expenditure 2019-20
Internal Cleaning	1	£ 9,300.00	£ 10,743.23
Toilet Requisites	1	£ 1,500.00	£ 299.82
Pest Control	1	£ 925.00	£ 924.00
Window Cleaning	1	£ 340.00	£ 340.00
Estate Cleaning	1	£ 800.00	£ 902.00
External Landscaping	1	£ -	£ -
External Repairs & Maintenance	1	£ 500.00	£ -
Internal Repairs & Maintenance	1	£ 4,000.00	£ 2,277.90
Electricity	1	£ 5,000.00	£ 3,790.77
Gas	1	£ 2,500.00	£ 2,059.66
Water Charges	1	£ 2,420.00	£ 1,116.30
Lift Maintenance Contract	1	£ 1,090.00	£ 1,770.41
Lift Repairs	1	£ 2,500.00	£ -
M&E Maintenance Contract	1	£ 6,000.00	£ 5,638.92
M&E Repairs	1	£ 1,000.00	£ 9,700.53
Health & Safety	1	£ 1,500.00	£ 595.00
Staff Wages	1	£ 4,407.00	£ 4,407.00
Security Systems	1	£ 700.00	£ -
Audit Fee	1	£ 700.00	£ 770.00
Management Fee	1	£ 7,243.00	£ 7,243.00
Facilities Management	1	£ 4,115.00	£ 4,115.00
1 Total		£ 56,540.00	£ 56,693.54
External Repairs & Maintenance	2	£ 750.00	£ -
Electricity	2	£ 2,000.00	£ 4,339.64
Office Costs	2	£ 175.00	-£ 81.38
Security Guarding	2	£ 19,500.00	£ 20,411.06
2 Total		£ 22,425.00	£ 24,669.32
Waste Management	3	£ 1,200.00	£ 1,339.33
3 Total		£ 1,200.00	£ 1,339.33
TOTAL		£ 80,165.00	£ 82,702.19



Report of the Accountants on
the Service Charge Expenditure
of Johnson Fellows as Agents for
W Wing Yip & Brothers Property & Investments Limited
Year ended 30 September 2020
395 Edgware Road, Cricklewood, London.

Accountants Report On Service Charge Expenditure Statement

Report to the Tenants of Cricklewood Business Centre

We have examined the service charge statement of account (see appendix 1) in respect of 395 Edgware Road, Cricklewood, London for the year ended 30 September 2020 together with the books and records maintained by Johnson Fellows ("the managing agent").

Under the terms of this engagement, we were not required to, and did not, form any opinion as to either the reasonableness of the costs included within the service charge statement or the standard of the services or works provided.

Respective responsibilities of the managing agent and accountant

The managing agent has undertaken responsibility for the preparation of the service charge statement on behalf of the tenants. It is our responsibility to form an independent opinion, based on our examination, on the service charge account and to report our opinion exclusively to the managing agent.

Basis of opinion

Our work included examination of evidence relevant to the amounts included in the statement and their disclosure.

We planned and performed our examination so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the service charge statement is a fair summary of

Basis of opinion (continued)

the costs relating to 395 Edgware Road, Cricklewood, London and is sufficiently supported by accounts, receipts and other documents which have been made available to us. In view of the purpose for which this service charge statement has been prepared, however, we did not evaluate the overall adequacy of the presentation of the information which would have been required if we were to express an audit opinion under International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

Opinion

In our opinion the service charge statement presents a fair summary of the expenditure for the year ended 30 September 2020 is sufficiently supported by accounts, receipts and other documents.



MHA MacIntyre Hudson
Chartered Accountants

Date: 30 April 2021

SUMMARY EXPENDITURE REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 CRICKLEWOOD BUSINESS CENTRE, 395 EDGWARE ROAD, CRICKLEWOOD, LONDON															
COST CATEGORY	EXPENSE TOTAL			SCHEDULE 1			SCHEDULE 2			SCHEDULE 3			VARIANCE TO BUDGET		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
MANAGEMENT															
Management fees	7,243			7,243									7,243		
Accounting fees	770			770									700		70
Health, safety and environmental	595			595									1,500		-905
Site management resources	8,522			8,522									8,697		-175
Subtotal	17,130			17,130									18,140		1,010
UTILITIES															
Electricity	8,130			3,791			4,340						7,000		1,130
Gas	2,060			2,060									2,500		-440
Water	1,116			1,116									2,420		-1,304
Telephone	-81			-			-81						-		-81
Subtotal	11,225			6,967			4,258						11,920		695
SOFT SERVICES															
Security	20,411			-			20,411						20,200		211
Cleaning and environmental	13,646			12,307						1,339			14,065		-419
Subtotal	34,057			12,307			20,411			1,339			34,265		208
HARD SERVICES															
Mechanical and electrical services	15,339			15,339									7,000		8,339
Lifts and escalators	1,770			1,770									3,590		-1,820
Fabric repairs and maintenance	3,180			3,180			0						5,250		-2,070
Subtotal	20,290			20,290			0						15,840		-4,450
Funds from reserve															
Grand Total	82,702			19,274			24,669			1,339			80,165		-2,537