



JOHNSON FELLOWS
CHARTERED SURVEYORS

Maple Industrial Estate

Hyde Road

Manchester

M12 5AQ

Service Charge Expenditure Report

1st October 2021 –

30th September 2022



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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 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. We also enclose the Service Costs Statement prepared by Haines Watts accountants.

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 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, 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 76% Schedule 1 and 24% 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.

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 – External Costs - All Occupiers

- **Cleaning** **£6,114.33**

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. Expenditure came in above budget due to the addition of feminine hygiene units and the increase in the cleaning contract costs.

- **Pest Control** **£1,872.02**

The expenditure relates to the pest control contract for the estate. Expenditure came in above budget. This is largely due to the additional costs incurred in completing a pigeon cull.

- **External Landscaping** **£3,317.00**

Only a small budget was provided for external landscaping due to the services that the site manager picks up. However, it was decided midway through the service charge year that the funds attributed to the site manager would be better placed elsewhere. This has led to a reliance on other contractors for landscaping. The majority of the expenditure for this year relates to a full vegetation clearance around the perimeter of the estate.

- **Plumbing Repairs** **£666.88**

The cost heading is for any plumbing repairs required to the toilet facilities. Expenditure was under budget.

- **External Repairs & Maintenance** **£4,285.16**

The budgeted allowed for ongoing repairs to the estate road, together with a contingency for other essential repairs. Various repairs were completed during the year, but expenditure came in below budget.

- **Drainage Maintenance** **£2,238.00**

The cost heading allowed for the annual flush out of the communal drainage system at the estate. Expenditure was slightly over the budget figure.

- **Electricity** **£6,168.10**

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

- **Water Charges** **£522.23**

The budget allowed for the water consumption within the communal toilets. Expenditure was slightly above the budget figure.



- **Health & Safety** **£513.00**

The budget allowed for the completion of a health & safety and fire risk assessment for the external areas. The cost is split between Schedules 1 & 2 and came in below budget.

- **Staff Costs** **£1,876.92**

The cost heading is the Site Manager's costs in respect of the Estate. The Site Manager was at the property one day per week to deal with landscaping, minor items of repair and maintenance and tenant liaison for urgent matters. Only 6 months of expenditure was incurred. It was decided during the year that ad hoc cleaning and landscaping would offer better value for the site. The expenditure under this heading was therefore under budget. The costs are shared between both schedules.

- **Security** **£109,595.96**

The cost heading covers the security guarding for the estate for which there is 24 hours a day, 365 days a year coverage. The expenditure was above the budget figure due to a rise in contract costs.

- **Gritting** **£0.00**

The budget allowed for gritting of the estate road during the winter months. No expenditure was incurred.

- **Audit Fee** **£380.00**

The expenditure allowed for the year end accounts to be certified by an independent accountant as recommended by the RICS Service Charge Professional Statement. The cost is shared between both schedules and is on budget.

- **Management Fee** **£6,728.00**

This expenditure represents the costs 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 cost is shared between both schedules and is on budget.

- **Facilities Management** **£3,166.00**

The expenditure 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. The cost is shared between both schedules and is on budget.

Total

Schedule 1 **£147,443.60**



SCHEDULE 2 – Main Building – Non-Arch occupiers

- **Cleaning** **£360.00**

The budget did not provide for any expenditure under this schedule on the basis that the sweeping of all internal areas of the mall be completed by the site manager. However, the costs incurred relate to the hire of a pressure washer to clean the pigeon waste.

- **Pest Control** **£520.00**

The budget did not provide for pest control under this schedule. However, the expenditure relates to pigeon culls that were completed within the main building.

- **Building Repairs** **£35,421.77**

The cost heading covers repairs to the main building structure and roof. The landlord forward funded a £100,000 roof repair program in 2020 for which they are being reimbursed over a 5 year period. An instalment of £20,000 was made for this year. The remaining expenditure relates to additional ad-hoc works. It was over budget.

- **Fire Prevention** **£7,498.19**

The budget provided for the annual maintenance contracts for the fire alarm and the emergency lighting. However, the main cost was an essential repair to the sprinkler system. Whilst a separate sprinkler cost heading is included below, the costs were placed under fire prevention. The expenditure was above the combined budget.

- **Sprinklers** **£0.00**

The budget allowed for the annual maintenance contract and associated essential repairs for the communal sprinkler system. As detailed above, costs were incurred, but there were placed under fire prevention.

- **Electricity** **£8,876.58**

The expenditure is for the communal electricity consumption within the mall area. It was above the budget figure.

- **Health & Safety** **£162.00**

The budget allowed for the completion of a health & safety and fire risk assessment for the external areas. The cost is split between Schedules 1 & 2 and came in below budget.

- **Staff Costs** **£208.56**

The cost heading is the Site Manager's costs in respect of the Estate. The Site Manager was at the property one day per week to deal with landscaping, minor items of repair and maintenance and tenant liaison for urgent matters. Only 6 months of expenditure was incurred. It was decided during the year that ad hoc cleaning and landscaping would offer better value for the site. The expenditure under this heading was therefore under budget. The costs are shared between both schedules.



- **Audit Fee** **£170.00**

The expenditure allowed for the year end accounts to be certified by an independent accountant as recommended by the RICS Service Charge Professional Statement. The cost is shared between both schedules and is on budget. The expenditure for this schedule has gone through above budget. As a consequence a credit of £50 will be applied in the following year.

- **Management Fee** **£2,124.00**

This expenditure represents the costs 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 cost is shared between both schedules and is on budget.

- **Facilities Management** **£1,000.00**

The expenditure 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. The cost is shared between both schedules and is on budget.

Total

Schedule 2 **£56,341.10**



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

- **Electrical Repair** **£24,867.00**

The cost heading relates to essential electrical repairs that the landlord forward funded, subject to reimbursement. The budget allowed for a second year refund to the landlord of £22,833, plus a contingency sum for any additional unforeseen repairs. Expenditure was virtually in line with the budget.

Total

Schedule 3 **£24,867.00**

Expenditure Approval

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Facilities Manager

Partner

Dated 5th December 2023

Dated 5th December 2023



Appendix A

Maple Industrial Estate, Manchester

Service Charge Apportionment Schedule

1st October 2021 - 30th September 2022

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%



Appendix A (continued)

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%
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%
3 Total		215,739	100.00%



Appendix B

Maple Industrial Estate, Manchester

Service Charge Expenditure 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 2021-22	Expenditure 2021-22
Cleaning	1	£ 5,200.00	£ 6,114.33
Pest Control	1	£ 1,600.00	£ 1,872.02
External Landscaping	1	£ 200.00	£ 3,317.00
Plumbing Repairs	1	£ 1,000.00	£ 666.88
External Repairs & Maintenance	1	£ 10,000.00	£ 4,285.16
Drain Maintenance	1	£ 2,000.00	£ 2,238.00
Electricity	1	£ 2,000.00	£ 6,168.10
Water Charges	1	£ 500.00	£ 522.23
Health & Safety	1	£ 760.00	£ 513.00
Staff Costs	1	£ 3,170.00	£ 1,876.92
Security	1	£ 93,000.00	£ 109,595.96
Gritting	1	£ 500.00	£ -
Audit Fee	1	£ 380.00	£ 380.00
Management Fee	1	£ 6,728.00	£ 6,728.00
Facilities Management	1	£ 3,166.00	£ 3,166.00
1 Total		£ 130,204.00	£ 147,443.60
Cleaning	2	£ -	£ 360.00
Pest Control	2	£ -	£ 520.00
Building Repairs	2	£ 30,000.00	£ 35,421.77
Fire Prevention	2	£ 1,000.00	£ 7,498.19
Sprinklers	2	£ 3,750.00	£ -
Electricity	2	£ 1,350.00	£ 8,876.58
Health & Safety	2	£ 240.00	£ 162.00
Staff Costs	2	£ 1,001.00	£ 208.56
Audit Fee	2	£ 120.00	£ 170.00
Management Fee	2	£ 2,124.00	£ 2,124.00
Facilities Management	2	£ 1,000.00	£ 1,000.00
2 Total		£ 40,585.00	£ 56,341.10
Electrical Repair	3	£ 25,000.00	£ 24,867.00
3 Total		£ 25,000.00	£ 24,867.00
TOTAL		£ 195,789.00	£ 228,651.70



Appendix C

**W WING YIP COMMERCIAL LIMITED
MAPLE INDUSTRIAL ESTATE
BENNETT STREET, MANCHESTER**

SERVICE COSTS STATEMENT

INDEPENDENT REVIEW

YEAR ENDED 30TH SEPTEMBER 2022

Haines Watts



Maple Industrial Estate
Bennett Street, Manchester
Certificate of Service Costs for the year ended 30th September 2022

	2022	2021
External Costs - All Occupiers		
Cleaning	6,114.33	5,444.10
Pest Control	1,872.02	1,541.20
Landscape - External	3,317.00	108.00
Plumbing Maintenance	666.88	73.50
Repairs - External	4,285.16	16,342.23
Drainage	2,238.00	6,453.50
Water and sewage	522.23	-
Electricity	6,168.10	7,900.79
Fire Prevention	-	(11,272.00)
Health and Safety	513.00	649.65
Security	105,595.96	105,899.56
Building Manager	4,000.00	4,000.00
Audit Fees	380.00	355.00
Management Fees	6,728.00	6,051.00
Facilities Management	3,166.00	2,868.00
	<u>147,443.60</u>	<u>145,355.91</u>
Main Building - Non-arch Occup		
Building Repair	35,421.77	29,813.47
Fire Prevention	7,498.19	12,851.28
Cleaning - External	360.00	-
Pest Control	520.00	-
Electricity	8,876.58	7,032.67
Lift Safety	-	1,160.00
Electrical Repair	-	1,606.00
Health and Safety	162.00	265.35
Audit Fees	170.00	145.00
Building Manager	208.56	1,209.58
Management Fees	2,124.00	2,472.00
Facilities Management	1,000.00	1,163.00
	<u>56,341.10</u>	<u>57,718.35</u>
Electrical Repair		
Electrical Repair	24,867.00	18,564.00
	<u>24,867.00</u>	<u>18,564.00</u>
Total expenditure	<u>228,651.70</u>	<u>221,638.26</u>

No reserve fund held.

Independent Accountant's Review Report

To the Manager, Maple Industrial Estate, Bennett Street, Manchester.

We have reviewed the statement of service charge expenditure for the above property for the year ended 30 September 2022. The statement of service charge expenditure has been prepared by the Manager in accordance with guidance issued by the RICS in the Code of Practice, Services Charges in Commercial Property, 1st edition.

Manager's Responsibility for the Statement of service charge expenditure

The Manager is responsible for the preparation of the statement of service charge expenditure and for such internal control as the Manager determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility

Our responsibility is to express a conclusion on the statement of service charge expenditure based on the procedures we have performed and the evidence we have obtained. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the statement of service charge expenditure, taken as a whole, is not prepared in all material respects in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS. ISRE 4000 (Revised) also requires us to comply with relevant ethical requirements.



A review of a statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and others responsible for the services that comprise the service charge on this property, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures do not include review of the allocation or apportionment of service charge expenditure to occupiers.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the statement of service charge expenditure.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the statement of service charge expenditure is not prepared, in all material respects, in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS.

Basis of Accounting, and Restriction on Distribution and Use

Our report is made in accordance with the terms of our engagement and is intended solely for the Manager to issue to current occupiers. This report should not be distributed to or used by other parties. Our work has been undertaken to enable us to make this report to the Manager and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Manager in connection with the report or this engagement.

Haines Watts
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

**W WING YIP COMMERCIAL LIMITED
MAPLE INDUSTRIAL ESTATE
BENNETT STREET, MANCHESTER**

SERVICE COSTS STATEMENT

INDEPENDENT REVIEW

YEAR ENDED 30TH SEPTEMBER 2022

Haines Watts

Maple Industrial Estate
Bennett Street, Manchester
Certificate of Service Costs for the year ended 30th September 2022

	2022	2021
External Costs - All Occupiers		
Cleaning	6,114.33	5,444.10
Pest Control	1,872.02	1,541.20
Landscape - External	3,317.00	108.00
Plumbing Maintenance	666.88	73.50
Repairs - External	4,285.16	16,342.23
Drainage	2,238.00	6,453.50
Water and sewage	522.23	-
Electricity	6,168.10	7,900.79
Fire Prevention	-	(11,272.00)
Health and Safety	513.00	649.65
Security	109,595.96	105,899.56
Building Manager	1,876.92	2,961.38
Audit Fees	380.00	355.00
Management Fees	6,728.00	6,051.00
Facilities Management	3,166.00	2,848.00
	<u>147,443.60</u>	<u>145,355.91</u>
Main Building - Non-arch Occup		
Building Repair	35,421.77	29,813.47
Fire Prevention	7,498.19	12,851.28
Cleaning - External	360.00	-
Pest Control	520.00	-
Electricity	8,876.58	7,032.67
Lift Safety	-	1,160.00
Electrical Repair	-	1,606.00
Health and Safety	162.00	265.35
Audit Fees	170.00	145.00
Building Manager	208.56	1,209.58
Management Fees	2,124.00	2,472.00
Facilities Management	1,000.00	1,163.00
	<u>56,341.10</u>	<u>57,718.35</u>
Electrical Repair		
Electrical Repair	24,867.00	18,564.00
	<u>24,867.00</u>	<u>18,564.00</u>
Total expenditure	<u><u>228,651.70</u></u>	<u><u>221,638.26</u></u>

No reserve fund held.

Independent Accountant's Review Report

To the Manager, Maple Industrial Estate, Bennett Street, Manchester.

We have reviewed the statement of service charge expenditure for the above property for the year ended 30 September 2022. The statement of service charge expenditure has been prepared by the Manager in accordance with guidance issued by the RICS in the Code of Practice, Services Charges in Commercial Property, 1st edition.

Manager's Responsibility for the Statement of service charge expenditure

The Manager is responsible for the preparation of the statement of service charge expenditure and for such internal control as the Manager determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility

Our responsibility is to express a conclusion on the statement of service charge expenditure based on the procedures we have performed and the evidence we have obtained. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the statement of service charge expenditure, taken as a whole, is not prepared in all material respects in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS. ISRE 4000 (Revised) also requires us to comply with relevant ethical requirements.

A review of a statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and others responsible for the services that comprise the service charge on this property, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures do not include review of the allocation or apportionment of service charge expenditure to occupiers.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the statement of service charge expenditure.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the statement of service charge expenditure is not prepared, in all material respects, in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS.

Basis of Accounting, and Restriction on Distribution and Use

Our report is made in accordance with the terms of our engagement and is intended solely for the Manager to issue to current occupiers. This report should not be distributed to or used by other parties. Our work has been undertaken to enable us to make this report to the Manager and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Manager in connection with the report or this engagement.



Haines Watts
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