



Sayer House

Oxgate Lane

Cricklewood

London NW2 7JN

Service Charge Expenditure Report

1st October 2020 –

30th 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 & Brothers Property and Investments Ltd. It is intended to provide details of the expenditure incurred during the service charge period 1st October 2020 to 30th September 2021.

Enclosed within this report is a copy of the Service Charge Apportionment Schedule and Service Charge Variance 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 Oxgate Lane 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.

At its frontage, Sayer House is a two storey brick built office building under a pitched roof. To the rear the property provides single storey business units under pitched roofs. A dedicated car park forms part of the property, which is accessed via Horseshoe Close. The site abuts the wider Wing Yip trading estate.

In addition, the occupiers of Sayer House benefit from the shared use of a car park at the end of Horseshoe Close. This is part owned by Wing Yip.

In total Sayer House provides 6 separate business units. There are no internal communal parts, with each unit having a dedicated entrance. The primary services provided for the property consist of external landscaping and external building maintenance, with a contribution towards the upkeep of the shared car park.

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

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 at the service charge year end was £4,434.39. 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 is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

The budget contains a single schedule that all occupiers contribute towards.

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 - All Occupiers

- **External Landscaping** **£1,500.00**

Whilst the routine grounds maintenance costs have been taken in house by the Site Manager, a budget was provided for any works over and above the contract costs. The costs incurred relate to waste removal following various instances of fly tipping. The expenditure was over budget.

- **External Repairs & Maintenance** **£2,873.14**

The budget provided a contingency for any external building and car park maintenance works required. The main costs incurred relate to essential roof repairs. Expenditure was above budget.

- **Electricity** **£570.88**

The cost heading relates to the landlord's communal electricity consumption for Sayer House. Expenditure was marginally above the budget fee.

- **Health & Safety** **£0.00**

The budget provided for the completion of the Landlord's Health & Safety Audit. However, this was not carried out during the year.

- **Staff Wages** **£3,413.04**

The expenditure heading relates to the employment of the Site Manager. The Site Manager is at the property one day per week and is responsible for litter picking, minor items of repair and maintenance and tenant liaison for urgent matters. Overall, we believe that this results in cost savings, whilst also improving the service. The costs were on budget.

- **Audit Fee** **£622.00**

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** **£2,321.00**

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 expenditure was slightly under budget due to the application of an historic credit.



- **Facilities Management** **£3,119.00**

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 expenditure was on budget.

Total

Schedule 1 **£14,419.06**

Expenditure Approval

.....
Facilities Manager

Dated 24th May 2022

.....
Partner

Dated 24th May 2022



Appendix A

Sayer House, Cricklewood

Service Charge Apportionment Schedule

1st October 2020 - 30th September 2021

Unit	Schedule	Area Sq Ft	Percentage
Unit 1	1	5,862	27.70%
Unit 2	1	3,813	18.02%
Unit 3	1	2,886	13.64%
Unit 4	1	1,147	5.42%
Unit 4A	1	3,547	16.76%
Unit 5	1	3,906	18.46%
1 Total		21,161	100.00%



Appendix B

Sayer House, Cricklewood

Service Charge Variance 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 2020-21	Expenditure 2020-21
External Landscaping	1	£ 1,000.00	£ 1,500.00
External Repairs & Maintenance	1	£ 2,000.00	£ 2,873.14
Electricity	1	£ 500.00	£ 570.88
Health & Safety	1	£ 500.00	£ -
Staff Wages	1	£ 3,413.00	£ 3,413.04
Audit Fee	1	£ 500.00	£ 622.00
Management Fee	1	£ 2,621.00	£ 2,321.00
Facilities Management	1	£ 3,119.00	£ 3,119.00
1 Total		£ 13,653.00	£ 14,419.06



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 2021
Sayer House, Oxgate Lane, Cricklewood, London.

Accountants Report On Service Charge Expenditure Statement

Report to the Tenants of Sayer House

We have examined the service charge statement of account (see appendix 1) in respect of Sayer House, Oxgate Lane, Cricklewood, London for the year ended 30 September 2021 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 Sayer House, Oxgate Lane, 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) issued by the Financial Reporting Council.

Opinion

In our opinion the service charge statement presents a fair summary of the expenditure for the year ended 30 September 2021 is sufficiently supported by accounts, receipts and other documents.



MHA MacIntyre Hudson
Chartered Accountants

Date: 9 May 2022

SUMMARY EXPENDITURE REPORT
 FOR THE YEAR ENDED 30 SEPTEMBER 2021
 SAYER HOUSE, OXGATE LANE, CRICKLEWOOD, LONDON

COST CATEGORY	EXPENSE SCHEDULE		VARIANCE TO	
	TOTAL	1	BUDGET	BUDGET
	£	£	£	£
<u>MANAGEMENT</u>				
Management fees	2,321	2,321	2,621 -	300.00
Accounting fees	622	622	500	122
Health, safety and environmental	0	0	500	-500
Site management resources	6,532	6,532	6,532	-
Subtotal	9,475	9,475	10,153	-678
<u>UTILITIES</u>				
Electricity	571	571	500	71
Subtotal	571	571	500	71
<u>SOFT SERVICES</u>				
Cleaning and environmental	1,500	1,500	1,000.00	500
Subtotal	1,500	1,500	1,000.00	500
<u>HARD SERVICES</u>				
Fabric repairs and maintenance	2,873	2,873	2,000	873
Subtotal	2,873	2,873	2,000	873
Grand Total	14,419	14,419	13,653	766

