



Sayer House

Oxgate Lane

Cricklewood

London NW2 7JN

Service Charge Expenditure Report

1<sup>st</sup> October 2022 –

30<sup>th</sup> September 2023



## **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
- C. Accountants Certification Statement

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 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2023.

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; 1<sup>st</sup> 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 £4,453.31. 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](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.

### **Help Desk Manager:**

Charlie Scott  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0409  
Mobile: 07763 564705  
Email: [helpdesk@JohnsonFellows.co.uk](mailto:helpdesk@JohnsonFellows.co.uk)

Charlie Scott is the Help Desk Manager and is responsible for dealing with urgent reactive maintenance and repair.

### **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](mailto: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** **£560.00**

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 instances of fly tipping. The expenditure was under budget.

- **External Repairs & Maintenance** **£5,465.00**

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** **£83.91**

The cost heading relates to the landlord's communal electricity consumption for Sayer House. Expenditure was under budget fee due to reconciled credits.

- **Health & Safety** **£0.00**

The budget provided for the completion of the Landlord's Health & Safety Audit and Fire Risk Assessment. The Assessments were not completed as proposed during the service charge year.

- **Security Systems** **£550.00**

The budget allowed for the ongoing maintenance of the CCTV system for the communal areas and the installation of security lighting. The lighting was not completed during the service charge year. The expenditure relates to CCTV maintenance works.

- **Staff Costs** **£5,455.20**

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 over budget due to the rise in contract costs. The contract is being re-tendered.

- **Help Desk** **£350.00**

24 hour/7 day a week Help Desk has been set up to allow all occupiers to speak with a dedicated operative and report urgent items of repair and maintenance. The expenditure is in line with the budget figure.



- **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. The cost was marginally below budget. The statement is attached at Appendix C.

- **Management Fee** **£2,885.00**

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 is in line with the budget.

- **Facilities Management** **£3,433.00**

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** **£19,232.11**

**Expenditure Approval**

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Facilities Manager

Partner

Dated 5<sup>th</sup> March 2024

Dated 5<sup>th</sup> March 2024



**Appendix A**

**Sayer House, Cricklewood**

**Service Charge Apportionment Schedule**

**1st October 2022 - 30th September 2023**

<b>Unit</b>	<b>Schedule</b>	<b>Area Sq Ft</b>	<b>Percentage</b>
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%
<b>1 Total</b>		<b>21,161</b>	<b>100.00%</b>



## Appendix B

### Sayer House, Cricklewood

### Service Charge Variance Schedule

1st October 2022 - 30th September 2023

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

Service Charge Item	Schedule	Budget 2022-23	Expenditure 2022-23
External Landscaping	1	£ 1,000.00	£ 560.00
External Repairs & Maintenance	1	£ 3,500.00	£ 5,465.00
Electricity	1	£ 750.00	£ 83.91
Health & Safety	1	£ 600.00	£ -
Security Systems	1	£ 2,500.00	£ 550.00
Staff Wages	1	£ 4,039.00	£ 5,455.20
Help Desk	1	£ 350.00	£ 350.00
Audit Fee	1	£ 500.00	£ 450.00
Management Fee	1	£ 2,885.00	£ 2,885.00
Facilities Management	1	£ 3,433.00	£ 3,433.00
<b>1 Total</b>		<b>£ 19,557.00</b>	<b>£ 19,232.11</b>



**Appendix C**

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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
SAYER HOUSE, OXGATE LANE, CRICKLEWOOD  
STATEMENT OF SERVICE CHARGE EXPENDITURE  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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**bennett whitehouse**  
CHARTERED ACCOUNTANTS



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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**  
**STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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<b>Contents</b>	<b>Page No.</b>
Independent Accountants' Report	1 to 2
Service Charge Expenditure Account - Schedule 1	3
Notes to the Statement Of Service Charge Expenditure	4 to 5



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**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**

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We have reviewed the accompanying statement of service charge expenditure for Sayer House for the year ended 30 September 2023 and a summary of significant accounting policies and notes to the service charge expenditure report set out on page 4 to 5. The statement of service charge expenditure has been prepared by Johnson Fellows LLP in accordance with guidance issued by the RICS to supplement the RICS code of Practice, Service Charges in Commercial Property (the code).

**Managing Agent's responsibility for the statement of service charge expenditure**

Johnson Fellows LLP are responsible for the preparation of the statement of service charge expenditure and for such internal controls as they determine are necessary to determine the preparation of statements that are free from material misstatement, whether due to fraud or error.

**Reporting Accountants' 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 the 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 RICS. ISRE 2400 (Revised) also requires us to comply with relevant ethical requirements.

A review of statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance assignment. 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. As the reporting accountant we have performed the following procedures:

- checked whether entries in the accounting records are supported by invoices, receipts, other documentation or evidence
- made enquiries of management and others responsible for the services that comprise the service charge on this property
- applied analytical procedures.

The procedures do not include a review of the allocation or apportionment of service charge expenditure to occupiers.



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**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**

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**Conclusion**

Our report is made in accordance with the terms of our engagement and is intended solely for Johnson Fellows LLP for issue to current occupiers and the landlord. 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 Johnson Fellows LLP 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 Johnson Fellows LLP in connection with the report of this engagement.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that cause 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.

On the basis of information and explanations provided to us by Johnson Fellows LLP, in our opinion, the expenditure incurred and to be incurred by the Lessor for the year ended 30 September 2023 was £19,232.11 exclusive of VAT.

*Bennett White Service Charge Limited*

**BENNETT WHITEHOUSE SERVICE CHARGE LIMITED**  
Chartered Accountants  
11 Centre Court  
Vine Lane  
Halesowen  
West Midlands  
B63 3EB

8 February 2024



WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
SAYER HOUSE, OXGATE LANE, CRICKLEWOOD  
SERVICE CHARGE EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Actual 2023 £	Budget 2023 £	Budget Variance £	Prior Period £	Prior Variance £
<b>MANAGEMENT</b>					
<b>Management fees</b>					
Management fees	2,885.00	2,885.00	-	2,722.00	163.00
<b>Accounting fees</b>					
Accountancy fees	450.00	500.00	(50.00)	450.00	-
<b>Site management resources</b>					
Building Manager	5,455.20	4,039.00	1,416.20	3,673.84	1,781.36
Helpdesk fees	350.00	350.00	-	-	350.00
Facilities management	3,433.00	3,433.00	-	3,239.00	194.00
<b>Health,safety and environmental</b>					
Health and safety	-	600.00	(600.00)	505.00	(595.00)
<b>UTILITIES</b>					
<b>Electricity</b>					
Electricity	83.91	750.00	(666.09)	322.35	(238.44)
<b>SOFT SERVICES</b>					
<b>Security</b>					
Security systems	550.00	2,500.00	(1,950.00)	1,624.00	(1,074.00)
<b>Cleaning and environmental</b>					
External Landscaping	580.00	1,000.00	(440.00)	650.00	(90.00)
<b>HARD SERVICES</b>					
<b>Fabric repairs and maintenance</b>					
External repairs and maintenance	5,465.00	3,500.00	1,965.00	5,293.60	171.11
<b>TOTAL</b>	<b>19,232.11</b>	<b>19,557.00</b>	<b>(324.89)</b>	<b>18,570.68</b>	<b>662.63</b>



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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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**1 Accounting policies**

The accounts are prepared in accordance with the provisions of the lease and on the accruals basis.

**2 Bank account**

Service charge money was held at HSBC Bank Plc in a client account under the title CBGA Robson LLP No1 Client Account. This is an interest bearing account. Any interest earned on the funds is credited to the service charge account net of any bank operating costs.

**3 VAT**

The property is elected for VAT purposes and therefore all service charge expenditure stated is exclusive of VAT.

**4 Insurance claims**

It is policy to recognise income in respect of insurance claims in the service charge period in which confirmation has been received from the insurers that the claim will be settled. The associated costs of the claim are charged to the service charge in the period in which the costs are incurred.

**5 Management fees**

Johnson Fellows LLP are appointed to manage the common areas of the property. The management fee charged solely for the management of the service charge for the year ended 30 September 2023 was agreed at a fixed fee of £2,885.00. The management fee is reviewed annually. Asset management and rent collection costs are excluded from the service charge management fee.

Total employment costs of the on site manager and their assistant is included within the service charge expenditure.

Summary of all fees charged by the managing agent -

	<b>2023</b>
	<b>£</b>
Management fees	2,885.00

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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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**6 Accruals**

The accruals included in the service charge expenditure relate to goods and services actually incurred within the year ended 30 September 2023, but no invoice had been received at the year end date.

Code	£
Accountancy fees	450.00
Health and safety	(150.00)
	<u>300.00</u>

**7 Empty units and concessions granted to tenants**

Where appropriate, costs are apportioned on a daily basis and for the avoidance of doubt it is confirmed that the landlord bears an appropriate proportion of the service charge expenditure in respect of voids and vacant premises.

**8 Sinking funds**

The sinking fund has been set up to cover major costs to be incurred at the property. It is kept within a separate client bank account, with Barclays Bank PLC and is interest bearing.

	2023 £	2022 £
Balance brought forward at 1 October 2021	4,434.94	4,434.39
Interest received	18.37	0.55
Balance carried forward at 30 September 2022	<u>4,453.31</u>	<u>4,434.94</u>

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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**  
**STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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**bennett whitehouse**

CHARTERED ACCOUNTANTS

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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**  
**STATEMENT OF SERVICE CHARGE EXPENDITURE**  
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---

<b>Contents</b>	<b>Page No.</b>
Independent Accountants' Report	<b>1 to 2</b>
Service Charge Expenditure Account - Schedule 1	<b>3</b>
Notes to the Statement Of Service Charge Expenditure	<b>4 to 5</b>

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**8 February 2024**

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<b>Fabric repairs and maintenance</b>					
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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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Total employment costs of the on site manager and their assistant is included within the service charge expenditure.

Summary of all fees charged by the managing agent -

	<b>2023</b>
	<b>£</b>
Management fees	2,885.00

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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**SAYER HOUSE, OXGATE LANE, CRICKLEWOOD**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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<b>Code</b>	<b>£</b>
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	<hr/>
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	<hr/> <hr/>

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Balance brought forward at 1 October 2021	4,434.94	4,434.39
Interest received	18.37	0.55
	<hr/>	<hr/>
Balance carried forward at 30 September 2022	<b>4,453.31</b>	<b>4,434.94</b>
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