



**1 – 9 Drakes Cross Parade**

**Hollywood**

**Birmingham**

**B47 5HD**

**Service Charge Year End Report**

**1<sup>st</sup> October 2021 –**

**30<sup>th</sup> 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 & Brothers Property and Investments Ltd. It is intended to provide details of the expenditure for the service charge period 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022.

The budget for this period was set by Lambert Smith Hampton and inherited by Johnson Fellows. Due to this some cost headings differ from those set in the original budget.

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; 1<sup>st</sup> Edition.

## **The Property**

The property is located on Drakes Cross Parade, which is set back from both the Alcester Road and Shawhurst Lane. It is approximately 6 miles to the south-west of Solihull Town Centre and 8 miles south of Birmingham City Centre.

The Parade is a purpose-built retail premises with brick facades under a pitched tiled roof. The majority of the units are two storey with ground floor retail and ancillary accommodation above. The two corner units are single storey. Customer parking is provided to the front of all units, with a service road and loading area to the rear.

## **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, 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 is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

The service charge contains a single schedule that all occupiers contribute towards.

The apportionment percentages are calculated based on net internal floor areas.



## **Management Team**

### 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.

### Management Surveyor:

George Brittain  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0454  
Mobile: 07884 352 576  
Email: [George.brittain@johnsonfellows.co.uk](mailto:George.brittain@johnsonfellows.co.uk)

George Brittain is responsible for the overall management of the property.

### 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 Repairs & Maintenance** **£5,121.59**

Repairs and maintenance for this period include pot hole repairs, drain cleaning, graffiti removal, replacement of man hole cover and car park signage.

- **Gritting** **£1,517.92**

Cost for winter gritting of the site.

- **Health & Safety** **£595.00**

Cost for a site H&S and Fire risk report, in addition to the testing of the man safe system.

- **Staff Costs** **£3,250.92**

Cost of the site manager Ashely Clayton who attends weekly.

- **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** **£4,081.00**

This figure represents the costs incurred for the management of the property, administration of the service charge and completing periodic inspections.

- **Facilities Management** **£3,779.00**

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.

**Total** **£18,880.43**

**Expenditure Sign off**

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Facilities Manager

Associate Partner



Appendix A

**1 - 9 Drakes Cross Parade, Hollywood,  
Birmingham**

**Service Charge Apportionment Schedule**

<b>Unit</b>	<b>Schedule</b>	<b>Area Sq Ft</b>	<b>Percentage</b>
1	1	4,199	35.66%
2	1	763	6.48%
3	1	777	6.60%
4	1	785	6.66%
5	1	785	6.66%
6	1	785	6.66%
7	1	785	6.66%
8	1	785	6.66%
9	1	2,116	17.96%
		<b>11,780</b>	<b>100.00%</b>



## Appendix B

1 - 9 Drakes Cross Parade Hollywood Birmingham (02172)

### **Service Charge Budget Comparison**

Recovery Group = sc

Reconciliation Period = 01/10/2021-30/09/2022

\*Amounts in gbp

<b>Code</b>	<b>Description</b>	<b>Actual (09/2022)</b>	<b>Budget (09/2022)</b>	<b>Variance</b>	<b>%</b>
<b>1</b>	<b>Schedule 1</b>				
5100-0101	Management Fee	4,081.00	4,081.00	0.00	0.0000
5100-0203	S/C Audit Fees	450.00	514.00	-64.00	-12.4514
5100-0308	Building Manager	3,250.92	1,630.00	1,620.92	99.4429
5100-0309	Facilities Manager	3,779.00	3,779.00	0.00	0.0000
5100-0402	Health & Safety	595.00	625.00	-30.00	-4.8000
5300-0902	Security systems	0.00	1,160.00	-1,160.00	-100.0000
5300-1009	External Landscaping	85.00	600.00	-515.00	-85.8333
5300-1010	Snow clearance / Gritting	1,517.92	600.00	917.92	152.9867
5400-1502	External Repairs and maintenance	5,121.59	2,500.00	2,621.59	104.8636
	<b>Schedule Total</b>	<b>18,880.43</b>	<b>15,489.00</b>	<b>3,391.43</b>	<b>21.8957</b>



**Appendix C**





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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**1 - 9 DRAKES CROSS PARADE, HOLLYWOOD, BIRMINGHAM**  
**STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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bennett whitehouse

CHARTERED ACCOUNTANTS

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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**1 - 9 DRAKES CROSS PARADE, HOLLYWOOD, BIRMINGHAM**  
**STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**INDEPENDENT ACCOUNTANTS' REPORT TO THE LANDLORD OF  
1 - 9 DRAKES CROSS PARADE, HOLLYWOOD, BIRMINGHAM**

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We have reviewed the accompanying statement of service charge expenditure for 1 - 9 Drakes Cross Parade for the year ended 30 September 2022 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 their capacity as managing agents, 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  
1 - 9 DRAKES CROSS PARADE, HOLLYWOOD, BIRMINGHAM**

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**Conclusion**

Our report is made in accordance with the terms of our engagement with Wing Yip & Brothers Property and Investments Ltd and is intended solely for Johnson Fellows LLP, as managing agent, to 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 Wing Yip & Brothers Property and Investments Ltd 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 Wing Yip & Brothers Property and Investments Ltd 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 Wing Yip & Brothers Property and Investments Ltd and Johnson Fellows LLP, in our opinion, the expenditure incurred and to be incurred by the Lessor for the year ended 30 September 2022 was £18,880.43 exclusive of VAT.

*Bennett Whitehouse Service Charge Limited*

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

**28 February 2023**

WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD  
 1 - 9 DRAKES CROSS PARADE, HOLLYWOOD, BIRMINGHAM  
 SERVICE CHARGE EXPENDITURE ACCOUNT  
 FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Actual 2022 £	Budget 2022 £	Budget Variance £	Prior Period £	Prior Variance £
<b>MANAGEMENT</b>					
<b>Management fees</b>					
Management fees	4,081.00	4,081.00	-	3,930.00	151.00
<b>Accounting fees</b>					
Accountancy fees	450.00	514.00	(64.00)	611.00	(161.00)
<b>Site management resources</b>					
Building Manager	3,250.92	1,630.00	1,620.92	3,015.92	235.00
Facilities management	3,779.00	3,779.00	-	3,639.00	140.00
<b>Health,safety and environmental</b>					
Health and safety	595.00	625.00	(30.00)	625.00	(30.00)
<b>SOFT SERVICES</b>					
<b>Security</b>					
Security Systems	-	1,160.00	(1,160.00)	-	-
<b>Cleaning and environmental</b>					
External Landscaping	85.00	600.00	(515.00)	40.00	45.00
Snow clearance and gritting	1,517.92	600.00	917.92	-	1,517.92
<b>HARD SERVICES</b>					
<b>Fabric repairs and maintenance</b>					
External repairs and maintenance	5,121.59	2,500.00	2,621.59	5,600.02	(478.43)
<b>TOTAL</b>	<b>18,880.43</b>	<b>15,489.00</b>	<b>3,391.43</b>	<b>17,460.94</b>	<b>1,419.49</b>

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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**1 - 9 DRAKES CROSS PARADE, HOLLYWOOD, BIRMINGHAM**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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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 Barclays in a client account under the title Johnson Fellows LLP Client Account. Any interest earned on the funds is retained by Johnson Fellows as per the management agreement

**3 VAT**

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

**4 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 2022 was agreed at a fixed fee of £4,081.00 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>2022</b>
	<b>£</b>
Management fees	4,081.00

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**WING YIP & BROTHERS PROPERTY AND INVESTMENTS LTD**  
**1 - 9 DRAKES CROSS PARADE, HOLLYWOOD, BIRMINGHAM**  
**NOTES TO THE STATEMENT OF SERVICE CHARGE EXPENDITURE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**5 Accruals**

The accruals included in the service charge expenditure relate to goods and services actually incurred within the year ended 30 September 2022, but no invoice had been received at the year end date.

<b>Code</b>	<b>£</b>
Accountancy fees	1,025.00
	<hr/>
	<b>1,025.00</b>
	<hr/> <hr/>

**6 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.

Likewise, if any tenant has any form of concession, whereby their contribution towards the service charge is capped, or is lower than the apportionment due, the landlord pays the difference.