



1 – 9 Drakes Cross Parade

Hollywood

Birmingham

B47 5HD

Service Charge Year End Report

1st October 2022 –

30th September 2023



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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 1st October 2022 to 30th September 2023.

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 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

Chris Monteith is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Tina Hothi

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Mobile: 07594 089 316

Email: tina.hothi@johnsonfellows.co.uk

Tina Hothi 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

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** **£1,143.00**

Repairs and maintenance for this period include pothole repairs, drain cleaning, graffiti removal, replacement of man hole cover and car park signage. The expenditure was under budget.

- **Gritting** **£1,637.00**

Cost for winter gritting of the site. The expenditure was over budget.

- **Health & Safety** **£0.00**

Cost for a site H&S and Fire risk report, in addition to the testing of the man safe system. No expenditure was incurred during this service charge period.

- **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 **£14,691.00**

Expenditure Sign off

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Facilities Manager

Associate Partner



Appendix A

1-9 Drakes Cross Parade, Hollywood, Birmingham (02172)

Service Charge Unit Percentages

Reconciliation Period 01/10/2022-30/09/2023

Unit	Tenant	Schedule 1	Area Sq Ft
0001	A F Blakemore & Son Ltd	35.6510	4,199
0002	The Eye Collective (Wythall) Ltd	6.4810	763
0003	Brian Gilbert Pow	6.6010	777
0004	M Papageorgiou & M Papageorgiou	6.6610	785
0005	Bean 47 Ltd	6.6610	785
0006	Fanari's Chip Shop	6.6610	785
0007	Drakes Estate Agent	6.6610	785
0008	Lavang Indian Takeaway Limited	6.6610	785
0009	One Stop Convenience Stores Ltd	17.9620	2,116
	Total	100.0000	11,780



Appendix B

1-9 Drakes Cross Parade, Hollywood, Birmingham (02172)				
Service Charge Year End 2023				
Reconciliation Period = 01/10/2022-30/09/2023				
Description	Budget 09/2022	Actual YE 2023	Variance	%
Schedule 1				
Management Fee	4,081	4,081	0	0%
S/C Audit Fees	525	450	-75	-17%
Staff Costs	3,250	3,251	1	0.03%
Facilities Manager	3,779	3,779	0	0%
Health & Safety	625	0	-625	#DIV/0!
Security systems	1,160	0	-1,160	#DIV/0!
External Landscaping	600	100	-500	- 500.00%
Snow clearance / Gritting	600	1,637	1,037	63.35%
External Repairs and Maintenance	2,500	1,143	-1,357	- 118.72%
Help Desk	250	250	250	100.00%
Schedule Total	17,120	14,691	-2,429	-14.19%

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 2023



bennett whitehouse

CHARTERED ACCOUNTANTS

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 2023

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

We have reviewed the accompanying statement of service charge expenditure for 1 - 9 Drakes Cross Parade 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. 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.

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

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 £14,690.95 exclusive of VAT.



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
1 - 9 DRAKES CROSS PARADE, HOLLYWOOD, BIRMINGHAM
SERVICE CHARGE EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Actual 2023 £	Budget 2023 £	Budget Variance £	Prior Period £	Prior Variance £
Expenditure					
MANAGEMENT					
Management fees					
Management fees	4,081.00	4,081.00	-	4,081.00	-
Accounting fees					
Accountancy fees	450.00	525.00	(75.00)	450.00	-
Site management resources					
Building Manager	3,250.92	3,250.00	0.92	3,250.92	-
Helpdesk fees	250.00	250.00	-	-	250.00
Facilities management	3,779.00	3,779.00	-	3,779.00	-
Health,safety and environmental					
Health and safety	-	625.00	(625.00)	595.00	(595.00)
SOFT SERVICES					
Security					
Security Systems	-	1,160.00	(1,160.00)	-	-
Cleaning and environmental					
External Landscaping	100.00	600.00	(500.00)	85.00	15.00
Snow clearance and gritting	1,637.03	600.00	1,037.03	1,517.92	119.11
HARD SERVICES					
Fabric repairs and maintenance					
External repairs and maintenance	1,143.00	2,500.00	(1,357.00)	5,121.59	(3,978.59)
Total expenditure	14,690.95	17,370.00	(2,679.05)	18,880.43	(4,189.48)

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 2023

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 2023 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 -

	2023
	£
Management fees	4,081.00

5 Accruals

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

Code	£
Accountancy fees	450.00
	<hr/> 450.00 <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.