Jacey Buildings

40/48 Birmingham Road

Sutton Coldfield

West Midlands B72 1QQ

Service Charge Expenditure Report

1st April 2025 to 31st March 2026

JOHNSON FELLOWS

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Johnson Fellows , Newhall Street, Birmingham, B3 1SW

Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, Hawksvalley Properties Limited. It is intended to provide details of the expenditure incurred during the service charge year 1st April 2025 to 31st March 2026.

The Property

The subject property is located within Sutton Coldfield and consists of a three-storey parade, comprising of four ground floor retail units and eleven residential long leasehold flats above. The front of the parade consists of a forecourt for access and loading / unloading to the retail units. The rear benefits from a communal landscaped area and designated fire exit routes. Internal communal areas include corridors and stairs leading to the residential flats.

Service Charge Objectives

The objective of this expenditure 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.

The service charge is administered having regard to Service Charges in Commercial Property; RICS Professional Statement 2nd Edition.

Residential Service Charge Obligations

In accordance with the Landlord & Tenant Act 1987, Section 48, it is confirmed that the Landlord is Hawksvalley Properties Limited and their address for the service of notices is Hawksvalley Properties Limited, Ground Floor, 35 Newhall Street, Birmingham, West Midlands, United Kingdom, B3 3PU

For the residential long leaseholders, please refer to the enclosed details at Appendix C for the legislation relevant to the service charge. For any individual works required where any residential long leaseholders' contribution exceeds £250 plus VAT, we will consult with the relevant leaseholders.

VAT

The Landlord has elected the property for VAT.

The VAT on the service charge expenditure attributable to the residential part of the property cannot be recovered by the landlord; therefore, the gross expenditure is charged to the residential leaseholders only. The VAT on the commercial expenditure can be recovered, consequently the net costs plus VAT are applied, enabling the commercial leaseholders to recover the VAT charged to them.

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, we do not maintain the funds within a discrete bank account. As a consequence, the service charge is not credited with any interest, neither are any bank charges allocated to the service charge. The funds are held within the Johnson Fellows Clients Account, which is maintained with Barclays Bank plc.

Interest charged on the late payment of service charge by tenants is to be credited to the service charge.

There is a reserve fund in place in order to accrue funds for any major items of expenditure. The reserve fund is held in a separate interest earning account.

Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0407
Mobile: 07540 732 602
Email: robert.scott@johnsonfellows.co.uk

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Angela Lindop
Johnson Fellows,180 Newhall Street, Birmingham, B3 1SJ
Email: angela.lindop@johnsonfellows.co.uk

Angela Lindop is responsible for the overall management of the property.

Service Charge Accountant:

Paul Evans
Client Accounts
Johnson Fellows,180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0405
Email: paul.evans@johnsonfellows.co.uk

Paul Evans is the client accountant responsible for this property.

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Service Charge Apportionment

The service charge is shared between residential and commercial leaseholders. The service charge apportionment for each schedule is noted within the Service Charge Apportionment Schedule at Appendix A.

Schedule 1: Residential Leaseholders

Schedule 2: All Leaseholders (No longer used)

Schedule 3: Commercial Leaseholders

Schedule 4: Residential Leaseholders (excluding Flat 1)

The service charge apportionment percentages are based on the Gross Internal Areas (GIA's) of the individual units as a percentage of the total GIA. Shared expenditure is split 66% for the residential leaseholders and 34% for the commercial leaseholders, based on the total residential and commercial GIA's against the overall total GIA.

Apportioning based on floor area is regarded as best practice in accordance with the Service Charges in Commercial Property; RICS Code of Practice.

Expenditure Commentary

SCHEDULE 1 – Residential Leaseholders

All figures are shown inclusive of VAT.

- **Management Fee** **£6,762.96**

This figure represents the cost incurred to prepare and manage the service charge at the property for a 12-month period. It is a fixed fee, subject to annual increases in line with the Retail Price Index. The management fee is shared between both commercial and residential leaseholders. This cost was in line with the budget.

- **Audit Fee** **£297.00**

This is the cost of the service charge accounts for residential & commercial properties to be independently certified on an annual basis. The cost covers the fee raised by the accountants for certifying the year end service charge accounts. The fee is shared among the residential and commercial tenants. This cost was in line with the budget.

- **Facilities Management** **£1,126.00**

The cost heading is for the Facilities Manager to organise and supervise the various service charge contracts, arrange maintenance works, ensure legislative compliance and complete periodic inspections. It is a fixed fee, subject to annual increases in line with the Retail Price Index. The facilities management fee is shared between both commercial and residential leaseholders. This cost was in line with the budget.

- **Landlord Risk Assessment /Reviews** **£0**

This cost heading is for any landlord risk assessments or reviews required during the service charge year. There was no expenditure incurred under this cost heading in this service charge year.

- **External Cleaning** **£0**

The actual cost of external cleaning or bulky waste removal that may be required during the year. The costs are shared between the residential and commercial tenants. There was no expenditure under this cost heading during the service charge year.

- **Window Cleaning** **£432.00**

This figure represents the cost of cleaning the external windows of the residential parts of the building. This cost is paid by the residential leaseholders.

- **Pest Control** **£395.20**

The actual expenditure for the quarterly pest control contract. The cost is shared between the residential and commercial leaseholders. The expenditure was in line with the budget.

- **External Landscaping** **£1,320.00**

The budget allowed for the landscaping contract together with any additional noncontract pruning works. This is a shared cost between the residential and commercial leaseholders. The actual expenditure came in below budget.

- **Drainage** **£687.72**

The budget allowed for drain jetting and reactive attendance to blockages. This is a shared cost between the residential and commercial leaseholders. The actual expenditure for the service charge year was below budget.

- **Building Repair** **£6,921.02**

The budget provided for repairs and maintenance to the external parts of the building. This cost is apportioned between the residential and commercial tenants. The costs incurred during the service charge year related to roof maintenance and repair works, including access equipment, repairs to roof elements and other associated maintenance. This cost was over budget due to the works required.

- **Buildings Insurance** **£7,082.01**

The actual cost for thel building's insurance premium for the residential units.

Total Expenditure

Schedule 1 **£25,023.91**

SCHEDULE 3 – Commercial Leaseholders

All figures are shown net of VAT.

- **Management Fee** **£2,903.00**

This figure represents the cost incurred to prepare and manage the service charge at the property for a 12-month period. It is a fixed fee, subject to annual increases in line with the Retail Price Index. The management fee is shared between both commercial and residential leaseholders. This cost was in line with the budget.

- **Audit Fee** **£127.50**

This is the cost of the service charge accounts for residential & commercial properties to be independently certified on an annual basis. The cost covers the fee raised by the accountants for certifying the year end service charge accounts. The fee is shared among the residential and commercial tenants. This cost was in line with the budget.

- **Facilities Management** **£483.00**

The cost heading is for the Facilities Manager to organise and supervise the various service charge contracts, arrange maintenance works, ensure legislative compliance and complete periodic inspections. It is a fixed fee, subject to annual increases in line with the Retail Price Index. The facilities management fee is shared between both commercial and residential leaseholders. This cost was in line with the budget.

- **Landlord Risk Assessment /Reviews** **£0**

This cost heading is for any landlord risk assessments or reviews required during the service charge year. There was no expenditure incurred under this cost heading in this service charge year.

- **External Cleaning** **£0**

The actual cost of external cleaning or bulky waste removal that may be required during the year. The costs are shared between the residential and commercial tenants. There was no expenditure under this cost heading during the service charge year.

- **Pest Control** **£169.64**

The actual expenditure for quarterly pest control contract. The cost is shared between the residential and commercial leaseholders. The expenditure was in line with the budget.

- **External Landscaping** **£680.00**

The budget allowed for the landscaping contract together with any additional noncontract pruning works. This is a shared cost between the residential and commercial leaseholders. The actual expenditure came in below budget.

- **Drainage** **£309.40**

The budget allowed for drain jetting and reactive attendance to blockages. This is a shared cost between the residential and commercial leaseholders. The actual expenditure for the service charge year was below budget.

- **Building Repair** **£3,203.48**

The budget provided for repairs and maintenance to the external parts of the building. This cost is apportioned between the residential and commercial tenants. The costs incurred during the service charge year related to roof maintenance and repair works, including access equipment, repairs to roof elements and other associated maintenance works. This cost was over budget due to the works required.

- **Buildings Insurance** **£3,450.18**

The actual cost for the building's insurance premium for the commercial units.

Total Expenditure

Schedule 3 **£11,326.20**

SCHEDULE 4 – Residential Leaseholders Excluding Flat 1

All figures are shown inclusive of VAT.

- **Electricity Supply** **£1,134.73**

The actual expenditure for the electricity supply from EON to the common areas of the residential flats. This cost was under budget for the service charge year.

- **Internal Cleaning** **£4,104.00**

The actual expenditure relates to the contract cost of the weekly cleaning of the internal common areas to the residential flats.

- **Building Repairs** **£1,212.00**

The expenditure relates to a temporary repair and subsequent permanent repair to a broken step on the external staircase, together with an annual inspection of the staircase. The staircase refurbishment, completed in December 2024, was funded by the landlord. Following the refurbishment, periodic inspections were recommended, and an inspection was carried out during this service charge year.

- **Electrical Repair** **£1,143.37**

This cost relates to electrical repairs, maintenance and electrical flick testing within the communal areas of the residential flats.

Total Expenditure

Schedule 4 **£7,594.10**

A Lindop R. Scott

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Management Surveyor Facilities Manager

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Appendix A

Jacey Buildings, 40/48 Birmingham Road, Sutton Coldfield, West Midlands B72 1QQ

Service Charge Apportionment Schedule

1st April 2025 to 31st March 2026

Unit	GIA Floor Area Sq Ft	Schedule	Percentage
Flat 1	1,215	1	15.80%
Flat 2	645	1	8.42%
Flat 3	645	1	8.42%
Flat 4	645	1	8.42%
Flat 5	645	1	8.42%
Flat 6	645	1	8.42%
Flat 7	645	1	8.42%
Flat 8	645	1	8.42%
Flat 9	645	1	8.42%
Flat 10	645	1	8.42%
Flat 11	645	1	8.42%
	7,665	**1 Total**	**100.00%**
40	602	3	15.23%
42	633	3	16.01%
44	727	3	18.39%
46/48	1991	3	50.37%
	3,953	**3 Total**	**100.00%**
Flat 2	645	4	10.00%
Flat 3	645	4	10.00%
Flat 4	645	4	10.00%
Flat 5	645	4	10.00%
Flat 6	645	4	10.00%
Flat 7	645	4	10.00%
Flat 8	645	4	10.00%
Flat 9	645	4	10.00%
Flat 10	645	4	10.00%
Flat 11	645	4	10.00%
	6,450	**4 Total**	**100.00%**

Schedule 1 - Residential
Schedule 3 - Commercial Only
Schedule 4 - Residential Excl Flat 1

Shared costs are split between residential and commercial 66% / 34% based on total GIA's

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Appendix B

Jacey Buildings 40/48 Birmingham Road Sutton Coldf (00308)

Service Charge Budget Comparison

Reconciliation Period = 01/04/2025-31/03/2026

*Amounts in gbp

Code	Description	Actual (03/2026)	Budget (03/2026)	Variance	%
1	**Residential**				
5100-0101	Management Fee	6,762.96	6,763.00	-0.04	-0.0006
5100-0203	S/C Audit Fees	297.00	297.00	0.00	0.0000
5100-0309	Facilities Manager	1,126.00	1,126.00	0.00	0.0000
5100-0401	Landlords risk assessments, audi	0.00	475.20	-475.20	-100.0000
5200-0501	Electricity	0.00	0.00	0.00	
5300-1001	Internal Cleaning	0.00	0.00	0.00	
5300-1002	External Cleaning	0.00	316.80	-316.80	-100.0000
5300-1003	Window cleaning	432.00	350.00	82.00	23.4286
5300-1007	Pest control	395.20	368.28	26.92	7.3097
5300-1009	External Landscaping	1,320.00	3,326.40	-2,006.40	-60.3175
5300-1016	Drainage	687.72	792.00	-104.28	-13.1667
5400-1516	Decoration External	0.00	0.00	0.00	
5400-1530	Building Repair	6,921.02	5,148.00	1,773.02	34.4409
5400-1535	Electrical Repair	0.00	0.00	0.00	
5500-1601	Interest	0.00	0.00	0.00	
5600-1901	Building Insurance	7,082.01	6,444.84	637.17	9.8865
5700-2202	Reserve fund	0.00	0.00	0.00	
	Schedule Total	**25,023.91**	**25,407.52**	**-383.61**	**-1.5098**
3	**Commercial Only**				
5100-0101	Management Fee	2,903.00	2,903.00	0.00	0.0000
5100-0203	S/C Audit Fees	127.50	127.50	0.00	0.0000
5100-0309	Facilities Manager	483.00	483.00	0.00	0.0000
5100-0401	Landlords risk assessments, audi	0.00	204.00	-204.00	-100.0000
5300-1001	Internal Cleaning	0.00	0.00	0.00	
5300-1002	External Cleaning	0.00	136.00	-136.00	-100.0000
5300-1007	Pest control	169.64	158.10	11.54	7.2992
5300-1009	External Landscaping	680.00	1,428.00	-748.00	-52.3810
5300-1016	Drainage	309.40	340.00	-30.60	-9.0000
5400-1516	Decoration External	0.00	0.00	0.00	
5400-1530	Building Repair	3,203.48	2,210.00	993.48	44.9538
5500-1601	Interest	0.00	0.00	0.00	
5600-1901	Building Insurance	3,450.18	3,320.07	130.11	3.9189
5700-2202	Reserve fund	0.00	0.00	0.00	
	Schedule Total	**11,326.20**	**11,309.67**	**16.53**	**0.1462**
4	**Residential Excl Flat 1**				
5200-0501	Electricity	1,134.73	1,300.00	-165.27	-12.7131
5300-1001	Internal Cleaning	4,104.00	2,980.00	1,124.00	37.7181
5400-1530	Building Repair	1,212.00	1,500.00	-288.00	-19.2000
5400-1535	Electrical Repair	1,143.37	900.00	243.37	27.0411
5500-1601	Interest	0.00	0.00	0.00	
5700-2202	Reserve fund	0.00	0.00	0.00	
	Schedule Total	**7,594.10**	**6,680.00**	**914.10**	**13.6841**
	Total	**43,944.21**	**43,397.19**	**547.02**	**1.2605**

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Appendix C

The Service Charges (Summary of Rights and Obligations, and Transitional Provision) (England) Regulations 2007

(1) This summary, which briefly sets out your rights and obligations in relation to variable service charges, must by law accompany a demand for service charges. Unless a summary is sent to you with a demand, you may withhold the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

(2) Your lease sets out your obligations to pay service charges to your landlord in addition to your rent. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord's costs of management, to the extent that the costs have been reasonably incurred.

(3) You have the right to ask a leasehold valuation tribunal to determine whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may make a request before or after you have paid the service charge. If the tribunal determines that the service charge is payable, the tribunal may also determine:

   a. who should pay the service charge and who it should be paid to.
   b. the amount.
   c. the date it should be paid by; and
   d. how it should be paid.

   However, you do not have these rights where:

   e. a matter has been agreed or admitted by you.
   f. a matter has already been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose.
   g. or a matter has been decided by a court.

(4) If your lease allows your landlord to recover costs incurred or that may be incurred in legal proceedings as service charges, you may ask the court or tribunal, before which those proceedings were brought, to rule that your landlord may not do so.

(5) Where you seek a determination from a leasehold valuation tribunal, you will have to pay an application fee and, where the matter proceeds to a hearing, a hearing fee, unless you qualify for a waiver or reduction. The total fees payable will not exceed £500, but making an application may incur additional costs, such as professional fees, which you may also have to pay.

(6) A leasehold valuation tribunal has the power to award costs, not exceeding £500, against a party to any proceedings where:

   a. it dismisses a matter because it is frivolous, vexatious or an abuse of process; or
   b. it considers a party has acted frivolously, vexatiously, abusively, disruptively or unreasonably.

   The Lands Tribunal has similar powers when hearing an appeal against a decision of a leasehold valuation tribunal.

(7) If your landlord:

   a. proposes works on a building or any other premises that will cost you or any other tenant more than £250, or

b. proposes to enter into an agreement for works or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12-month accounting period,

Your contribution will be limited to these amounts unless your landlord has properly consulted on the proposed works or agreement, or a leasehold valuation tribunal has agreed that consultation is not required.

(8) You have the right to apply to a leasehold valuation tribunal to ask it to determine whether your lease should be varied on the grounds that it does not make satisfactory provision in respect of the calculation of a service charge payable under the lease.

(9) You have the right to write to your landlord to request a written summary of the costs which make up the service charges. The summary must:

a. cover the last 12-month period used for making up the accounts relating to the service charge ending no later than the date of your request, where the accounts are made up for 12-month periods; or

b. cover the 12-month period ending with the date of your request, where the accounts are not made up for 12-month periods.

(10) The summary must be given to you within 1 month of your request or 6 months of the end of the period to which the summary relates whichever is the later.

(11) You have the right, within 6 months of receiving a written summary of costs, to require the landlord to provide you with reasonable facilities to inspect the accounts, receipts and other documents supporting the summary and for taking copies or extracts from them.

(12) You have the right to ask an accountant or surveyor to carry out an audit of the financial management of the premises containing your dwelling, to establish the obligations of your landlord and the extent to which the service charges you pay are being used efficiently. It will depend on your circumstances whether you can exercise this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before exercising this right.

(13) Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

HAWKSVALLEY PROPERTIES LIMITED

JACEY BUILDINGS
BIRMINGHAM

SERVICE COSTS STATEMENT

INDEPENDENT REVIEW

YEAR ENDED 31ST MARCH 2026

TC GROUP BUSINESS ADVISORS & ACCOUNTANTS

Jacey Buildings
Birmingham
Certificate of Service Costs for the year ended 31st March 2026

	2026	2025
Residential		
Pest control	395.20	365.92
Window Cleaning	432.00	200.00
Building repair	6,921.02	3,996.02
Drain maintenance	687.72	1,503.48
Landscape	1,320.00	1,414.68
Insurance	7,082.01	6,840.39
Audit fees	297.00	297.00
Management fees	6,762.96	6,762.96
Facilities management	1,126.00	1,126.00
	25,023.91	22,506.45
Commercial		
Pest control	169.64	157.08
Building repair	3,203.48	1,753.49
Drain maintenance	309.40	742.90
Landscape	680.00	719.94
Insurance	3,450.18	3,371.52
Audit fees	127.50	127.50
Management fees	2,903.00	2,903.00
Facilities management	483.00	483.00
	11,326.20	10,258.43
Residential excl. Flat 1		
Cleaning	4,104.00	3,456.00
Building repair	1,212.00	1,975.00
Electrical repair	1,143.37	2,179.89
Electricity supply	1,134.73	988.02
	7,594.10	8,598.91
Total expenditure	**43,944.21**	**41,363.79**
Reserve Fund		
Balance b/fwd @ 01/04/25	7,298.48	7,198.92
Interest	81.28	99.56
Balance c/fwd @ 31/03/26	7,379.76	7,298.48