



Newhall Street/Charlotte Street

Birmingham

B3 1SW

Service Charge Expenditure Report

1st January 2022 to

31st December 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 Management Company, Newhall Management Limited.

The Property

The property comprises a secure car park serving six self-contained office buildings on the corner of Newhall Street and Charlotte Street.

The communal areas to which the service charge relates comprise of a vehicle entrance from Charlotte Street, rear car park and associated service areas including a bin store.

The fabric of the office buildings including the roofs and external facades are the responsibility of the owners to maintain.

There are no internal common parts, or communal areas to the front of the buildings.

Voids & Concessions

The responsibility for service charge in respect of void accommodation or any concessions rests with the Landlord.

VAT

The property is not elected for VAT.

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.

Reserve Fund

It was agreed at the 2014 AGM the Reserve Fund was at an adequate level. During this service charge year, no further payments are being made in to this fund. The Reserve fund is currently £20,707.

Service Charge Objectives

The object of this report is to provide an explanation of the expenditure incurred within this service charge year. It is to promote clarity and transparency and to allow the leaseholders to understand where expenditure has been incurred.

We encourage leaseholders to provide comments on the format and/or the information contained in this report which would assist in the report being improved for the benefit of all concerned. We would also welcome constructive feedback on the communal services provided at the property.



As Managing Agents, Johnson Fellows aim to provide a high-quality management service in order to provide a well-maintained environment, and delivering value for money for the service charge expenditure.

The service charge is administered having regard to Service Charges in Commercial Property; RICS Code of Practice.

Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0409
Mobile: 07786 072 755
Email: robert.scott@johnsonfellows.co.uk

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

Management Surveyor:

Maria Lazenbury
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0454
Mobile: 07884 352 576
Email: maria.lazenbury@johnsonfellows.co.uk

Maria Lazenbury 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.

Service Charge Apportionment

The service charge expenditure is allocated to a single schedule.

All expenditure relates to the external common parts and for services which benefit all tenants.

The service charge apportionment percentages are based on the shareholdings in the Management Company of the long leasehold owners of the individual units.

An apportionment schedule for the property is attached at Appendix A.



Budget Commentary

SCHEDULE 1

All figures are shown inclusive of VAT

- **Cleaning** **£0.00**

The cost for the cleaning of the car park as required and a provision for the removal of any fly tipping. Expenditure relating to this heading has been incorporated with the external landscaping heading.

- **Pest Control** **£374**

The relates to the contracted cost for replenishing of bait boxes around the car park and a contingency for replacing damaged or broken bait boxes. The expenditure incurred this year was slightly under budget.

- **Refuse Collection** **£8,458**

Expenditure relates to the contracted provision of two refuse bins with regular collections. Expenditure has exceeded the budget due to the increased contract price and additional waste removal required within this financial year.

- **Car Park Maintenance** **£1,588**

Expenditure related to the cost for gritting the car park and maintenance items relating to the car park lighting.

- **Drain Maintenance** **£0**

No expenditure was incurred in respect of this heading within this financial year.

- **External Landscaping** **£1,008**

This relates to the overall contracted cost for grounds maintenance to include the landscaped areas around the car park.

- **External Maintenance** **£0**

Expenditure relating to this heading was incorporated within the car park maintenance heading referred to above. .

- **Entrance Gate Maintenance** **£0**

No expenditure was incurred in respect of this heading within this financial year.

- **Health & Safety** **£0**

An audit was not undertaken within this financial year.



Insurance **£513**

This cost is the total premium for public liability and Directors liability insurance cover in respect of the common parts of the property and slightly increased over the budgeted cost.

- **Accountancy Fees** **£1,140**

This is the fee for JW Hinks Chartered Accountants to complete the Management Company year-end accounts.

- **Management Fee** **£2,819**

The management fee for the administration of the service charge and day to day management of the property as previously advised it is a fixed fee indexed linked annually to RPI and is in line with the budget.

Total

Schedule 1 **£15,900**

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Management Surveyor

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Facilities Manager



Appendix A

Newhall Street/Charlotte Street, Birmingham B3 1SW

Service Charge Apportionment Schedule

Unit	Percentage
Unit A	10.20%
Unit B	14.70%
Unit C	14.70%
Unit D	12.80%
Unit E	26.20%
Unit F	21.40%
Total	100.00%

The service charge apportionment percentages are based on the shareholdings in the Management Company of the long leasehold owners of the individual units



Appendix B

Newhall Street/Charlotte Street, Birmingham B3 1SW

Service Charge Expenditure Variance Schedule

1st January 2022 to 31st December 2022

The property is not VAT registered. Figures for Schedule 1 shown inclusive of VAT.

Service Charge Item	Schedule	Budget 2022	Budget 2022	Budget v Budget Variance %	Budget v Budget Variance £
Cleaning	1	£ 1,900	£ -	-100.00%	-£1,900
Pest Control	1	£ 400	£ 374	-6.50%	-£26
Refuse Collection	1	£ 7,000	£ 8,458	20.83%	£1,458
Car Park Maintenance	1	£ 2,000	£ 1,588	0.00%	-£412
Drain Maintenance	1	£ 650	£ -	-100.00%	-£650
Landscaping	1	£ 500	£ 1,008	101.60%	£508
External Maintenance	1	£ 1,000	£ -	-100.00%	-£1,000
Entrance Gate Maintenance	1	£ 1,500	£ -	-100.00%	-£1,500
Health & Safety	1	£ 700	£ -	-100.00%	-£700
Reserve Fund	1	£ -	£ -	0.00%	£0
Insurance	1	£ 500	£ 513	2.60%	£13
Accountancy Fees	1	£ 1,200	£ 1,140	-5.00%	-£60
Management Fees	1	£ 2,819	£ 2,819	0.00%	£0
		£20,169	£15,900	-21.17%	-£4,269

SERVICE CHARGE STATEMENT OF ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

NEWHALL MANAGEMENT LIMITED

CHARTER HOUSE 163 - 169 NEWHALL STREET

jwHinks
CHARTERED ACCOUNTANTS
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

NEWHALL MANAGEMENT LIMITED
CHARTER HOUSE 163 - 169 NEWHALL STREET

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FOR THE YEAR ENDED 31 DECEMBER 2022

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**CLIENT APPROVAL CERTIFICATE
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report has been produce for Johnson Fellows on behalf of Newhall Managment Limited, the landlord of Charter House, 163 - 169 Newhall Street and relates to the reconciled service charge for the year ended 31 December 2022. This report has been produced having regards to the best practice guidelines for service charges in commercial property that have been published through the collaboration of a number of professional bodies representing a diversity of interests throughout the property industry.

I hereby certify that, according to the information available to me, the attached statement of service charge expenditure report and accompanying information on pages 3 to 5 records the true cost to the landlord of providing the service to the property for the year ended 31 December 2022, in accordance with the terms of the lease and, where practicable, the current edition of the RICS Professional Statement, Service Charges in Commercial Property.



Signed

For and on behalf of Johnson Fellows

Date: 14 June 2024

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

We have reviewed the statement of service charge expenditure for the above property and notes for the year ended 31 December 2022, set out on pages 3 to 5. The statement of service charge expenditure has been prepared by the Manager in accordance with guidance issued by the current edition of the RICS Professional Statement, Service Charges in Commercial Property.

Manager's Responsibility for the Statement of service charge expenditure

The Manager is responsible for the preparation of the statement of service charge expenditure and for such internal control as the Manager determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

Reporting Accountant's 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 International Standard 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 the RICS. ISRE 2400 (Revised) also requires us to comply with relevant ethical requirements.

A review of a statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and other responsible for the services that comprise the service charge on this property, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedure do not include the review of the allocation or appointment of service charge expenditure to

The procedures performed in a review are sustainably 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.

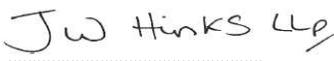
Conclusion

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

Basis of Accounting, and Restriction on Distribution and Use

Without modifying our conclusion, we draw attention to Note 1 to the accounts, which describes the basis of accounting. The statement of service charge expenditure and certificate are prepared by the Manager to show how the service charge costs charged to occupiers are made up. As a result, the Statement of service charge expenditure may not be suitable for another purpose.

Our report is made in accordance with the terms of our engagement and is intended solely for the Manager for issue to current occupiers [and the owner]. 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 the Manager 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 the Manager in connection with the report or this engagement.


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Date: 17 June 2024

J W Hinks LLP
Chartered Accountants
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

NEWHALL MANAGEMENT LIMITED
CHARTER HOUSE 163 - 169 NEWHALL STREET

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	£	£	£	£
INCOME				
Service charges	20,169		19,289	
		20,169		19,289
MANAGEMENT				
Management fees	2,819		2,689	
Accounting fees	1,140		1,110	
SOFT SERVICES				
Cleaning	-		910	
Refuse	8,458		7,421	
HARD SERVICES				
Pest control	374		360	
Gate entrance maintenance	-		526	
Landscaping	1,008		1,248	
External repairs	-		1,200	
Car park maintenance	1,588		962	
Drainage	-		384	
INSURANCE				
Insurance	513		452	
		15,900		17,262
Surplus for the year		4,269		2,027

BALANCING STATEMENT AS AT 31 DECEMBER 2022

	2022	2021
	£	£
ASSETS		
Service charges owed by tenants	24,974	6,147
Cash at bank	26,443	22,287
	<u>51,417</u>	<u>28,434</u>
LIABILITIES		
Service charge demanded in advance	20,426	-
Trade creditors	576	2,017
Surplus for the year	4,269	2,027
Surplus re 2021	2,027	-
Accruals	3,412	3,685
	<u>30,710</u>	<u>7,729</u>
NET ASSETS	<u>20,707</u>	<u>20,705</u>
REPRESENTED BY:		
RESERVE FUND		
Balance brought forward	20,705	20,703
Interest received	2	2
Balance carried forward	<u>20,707</u>	<u>20,705</u>

NOTES TO THE SERVICE CHARGE STATEMENT OF ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

This statement is prepared on an accruals basis under the historical cost convention.

2. VAT

The Landlord has not elected to waive the exemption from VAT and therefore all service charge expenditure is shown inclusive of VAT where applicable.

3. CASH AT BANK

The balance is held in a Managing Agent designated Client Account.

4. RESERVE FUND

The reserve fund has been established to meet the costs of large, non regular repair and maintenance work. The present level of the fund may prove insufficient given the uncertainty as to when such costs may occur.

5. SUMMARY OF ALL FEES CHARGED BY THE MANAGING AGENT

	Total fees	Professional fees	Procurement fees
	£	£	£
Management fees	2,819	2,819	-

6. ACCRUALS

These are expenses for goods and services actually incurred in a period for which no invoice has been received. As the cost relates to the period, it should be charged to the service charge account for that period.

	£
Accountancy	2,250
Refuse	813
Car park maintenance	349
	<hr/>
	3,412
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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.

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.

8. CONTRACTS

The suppliers detailed below have a contract in force for the services they provide that covers this (or future) accounting period

Contractor	Services
Biffa Waste Services Limited	Refuse
Midlands Pest Control Limited	Pest control
Tidy Garden Co Limited	Litter picking and soft landscaping maintenance