



Newhall Street/Charlotte Street

Birmingham

B3 1SW

Service Charge Expenditure Report

1st January 2023 to

31st December 2023



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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 owners are responsible for maintaining the building fabric, including the roofs and external facades of their individual office buildings.

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 individual building owners.

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. Therefore, 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 into this fund. The Reserve fund is currently £20,860.

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 building owners to understand where expenditure has been incurred.

We encourage building owners 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 deliver a high-quality management service that maintains a well-kept environment and provides value for money in 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 owners of the individual buildings.

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



Budget Commentary

SCHEDULE 1

All figures are shown inclusive of VAT

- **Pest Control** **£378**

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** **£9,654**

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

- **Car Park Maintenance** **£1,961**

Expenditure incurred relates to the cost for gritting the car park and maintenance to drainage/gully drainage covers within the car park area.

- **Drain Maintenance**

No expenditure was incurred within this financial year.

- **External Landscaping** **£1,728**

This relates to the overall contracted cost for grounds maintenance/landscaping undertaken by TGC Group Services in respect of the car parking areas.

- **External Repairs and Maintenance** **£2,285**

Expenditure incurred was in respect of the supply and fit of a new sub-meter for the electricity supply to the gates and for the supply of the new cable to enable the operation of the external lighting.

- **Entrance Gate Maintenance** **£240**

Expenditure relating to the annual service of the automated vehicle gate to include risk assessment and force test.

- **Health & Safety**

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



• **Insurance** **£679**

This cost is the total premium for building, property owners' liability and loss of service charge in respect of the common parts of the property. Expenditure is slightly above the budgeted cost as the periodic reinstatement cost assessment was also undertaken within this financial year.

• **Accountancy Fees** **£1,170**

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

• **Management Fee** **£3,176**

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 **£21,272**

A handwritten signature in black ink, appearing to be 'MD' followed by a flourish.

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Management Surveyor

A handwritten signature in black ink, appearing to be 'R. Scott' with a large star-like flourish.

.....
Facilities Manager



Appendix A

Birmingham: Charter House S/C 163-169 Newhall Street (01446)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 01/01/2023-31/12/2023

*Amounts in gbp

Unit	Alternative Ref	Long leaseholder	Schedule
0001	A	Ash Corporation Ltd	10.2000
0002	B	Agape Ministries Ltd	14.7000
0003	C	Brendan Fleming	14.7000
0004	D	Newhall Street Properties LLP	12.8000
0005	E	Newhall Charlotte Ltd	26.2000
0006	F	AC Baily, K Flowers, JL Lodge & LJ Nood	21.4000
Total			100.0000

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



Appendix B

Birmingham: Charter House S/C 163-169 Newhall Street (01446)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 01/01/2023-31/12/2023

*Amounts in gbp

Code	Description	Actual (12/ 2023)	Budget (12/ 2023)	Variance %
1	Schedule			
5100-0101	Management Fee	3,176	3,176	0.00
5100-0203	S/C Audit Fees	1,170	1,200	-2.50
5100-0402	Health & Safety	0	700	-100.00
5300-1007	Pest control	378	400	-5.50
5300-1009	External Landscaping	1,728	800	116.00
5300-1014	Refuse collection	9,654	8,500	13.58
5300-1016	Drainage	0	650	-100.00
5400-1502	External Repairs and maintenance	2,285	1,500	52.32
5400-1505	Car Park Maintenance	1,961	2,000	-1.94
5400-1528	Entrance Gate Maintenance	240	1,000	-76.00
5600-1901	Building Insurance	679	500	35.86
	Schedule Total	21,272	20,426	4.14
	Total	21,272	20,426	4.14

SERVICE CHARGE STATEMENT OF ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

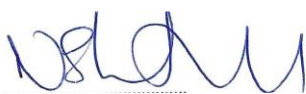
CONTENTS OF THE SERVICE CHARGE STATEMENT OF ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

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CLIENT APPROVAL CERTIFICATE
FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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 2023, 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: 5 March 2025

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

We have reviewed the statement of service charge expenditure for the above property and notes for the year ended 31 December 2023, 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 persons 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 apportionment of service charge expenditure to occupiers.

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.

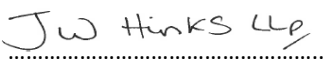
Conclusion

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: 6 March 2025

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 2023

	2023		2022	
	£	£	£	£
INCOME				
Service charges	20,426		20,169	
		20,426		20,169
MANAGEMENT				
Management fees	3,176		2,819	
Accounting fees	1,170		1,140	
SOFT SERVICES				
Refuse	9,655		8,458	
HARD SERVICES				
Pest control	378		374	
Gate entrance maintenance	240		-	
Landscaping	1,728		1,008	
External repairs	2,285		-	
Car park maintenance	1,961		1,588	
INSURANCE				
Insurance	679		513	
		21,272		15,900
Surplus/(deficit) for the year		(846)		4,269

BALANCING STATEMENT AS AT 31 DECEMBER 2023

	2023 £	2022 £
ASSETS		
Service charges owed by tenants	11,138	24,974
Deficit for the year	846	-
Cash at bank	20,264	26,443
	<u>32,248</u>	<u>51,417</u>
LIABILITIES		
Service charge demanded in advance	-	20,426
Trade creditors	1,112	576
Surplus for the year	-	4,269
Surplus re 2021	-	2,027
Surplus re 2022	4,269	-
Accruals	6,007	3,412
	<u>11,388</u>	<u>30,710</u>
NET ASSETS	<u>20,860</u>	<u>20,707</u>
REPRESENTED BY:		
RESERVE FUND		
Balance brought forward	20,707	20,705
Interest received	153	2
Balance carried forward	<u>20,860</u>	<u>20,707</u>

NOTES TO THE SERVICE CHARGE STATEMENT OF ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

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	3,176	3,176	-

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	2,340
Refuse	911
External repairs	2,285
Gate entrance maintenance	240
Landscaping	144
Car park maintenance	87
	<u>6,007</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.

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
Outco Limited	Car park maintenance (gritting)
D Allum Fabrication Limited	Entrance gate maintenance