



JOHNSON FELLOWS
CHARTERED SURVEYORS

Newhall Street/Charlotte Street

Birmingham

B3 1SW

Service Charge Expenditure Report

1st January 2017 to

31st December 2017



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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 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

There are none.

VAT

The property is not elected for VAT, so the expenditure is shown inclusive of 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 have been made in to this fund. The Reserve Fund Statement is in Appendix C.

Service Charge Objectives

The object of this expenditure report is to provide clear explanation of the service charge expenditure incurred on a not for profit/not for loss basis. It is also to promote clarity and transparency and to allow the leaseholders to budget accurately for the service charge.

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:

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:

George Brittain
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0454
Mobile: 07884 352576
Email: 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

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.



Expenditure Commentary

SCHEDULE 1

All figures are shown inclusive of VAT

- **Cleaning** **£1,540.00**

The contract cost for the cleaning of the car park.

- **Pest Control** **£360.00**

Contracted cost for replenishing of bait boxes around the car park.

- **Refuse Collection** **£5,865.94**

Contracted provision of 2 refuse bins with regular collections, plus the removal of excess waste.

- **Drain Maintenance** **£0**

No works was undertaken to the drains during the year.

- **Landscaping** **£376.04**

Contracted cost for maintenance of the landscaped areas around the car park.

- **Repairs – External** **£702.40**

This includes signage for the gate and yellow lining on the tarmac located inside the gate.

- **Entrance Gate Maintenance** **£3,267.63**

Contracted quarterly service of access gates to the car park and ad-hoc repairs. There were a number of major issues with the gate this year including replacing one of the operating arms, realigning the gate, a new exit button, this has pushed the expenditure considerably over budget.

- **Health & Safety** **£0**

A health and safety audit was carried out in October 2015 with the next one due 2018.

- **Security** **£821.40**

Cost for security patrols while gates were out of order due to an increase in rough sleepers.

- **Insurance** **£537.53**

This was the premium for public liability and directors' liability insurance cover in respect of the common parts of the property.



- **Audit Fees** **£1,050.00**

The fee for JW Hinks Chartered Accountants to complete the Management Company's year-end accounts.

- **Management Fee** **£2,420.00**

The management fee for the administration of the service charge and day to day management of the property.

Total

- Schedule 1** **£16,940.94**

The expenditure came in above budget, so there is a shortfall to be allocated to individual leaseholder service charge accounts.

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Management Surveyor

Dated 29th August 2018



Appendix A

Newhall Street/Charlotte Street, Birmingham B3 1SW

Service Charge Apportionment Schedule

1st January 2017 to 31st December 2017

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%



Appendix B

Newhall Street/Charlotte Street, Birmingham B3 1SW

Service Charge Variance Schedule

1st January 2017 to 31st December 2017

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

Service Charge Item	Schedule	Budget 2017	Actual 2017	Budget v Actual Variance %	Budget v Actual Variance £
Cleaning	1	£ 2,000.00	£ 1,540.00	-23.00%	-£460.00
Pest Control	1	£ 400.00	£ 360.00	-10.00%	-£40.00
Refuse Collection	1	£ 5,670.00	£ 5,865.94	3.46%	£195.94
Drain Maintenance	1	£ 200.00	£ -	-100.00%	-£200.00
Landscaping	1	£ 600.00	£ 376.04	-37.33%	-£223.96
External Maintenance	1	£ 1,000.00	£ 702.40	-29.76%	-£297.60
Entrance Gate Maintena	1	£ 1,500.00	£ 3,267.63	117.84%	£1,767.63
Health & Safety	1	£ 400.00	£ -	-100.00%	-£400.00
Security	1	£ -	£ 821.40	na	£821.40
Reserve Fund	1	£ -	£ -	0.00%	£0.00
Insurance	1	£ 450.00	£ 537.53	19.45%	£87.53
Accountancy Fees	1	£ 1,156.00	£ 1,050.00	-9.17%	-£106.00
Management Fees	1	£ 2,420.00	£ 2,420.00	0.00%	£0.00
Grand Total		£ 15,796.00	£ 16,940.94	7.25%	£1,144.94



Appendix C

Newhall Street/Charlotte Street, Birmingham B3 1SW

Service Charge Reserve Fund

1st January 2017 to 31st December 2017

		Amount
Balance b/f	£	20,601.15
Transfer to/from Reserve Fund	£	-
Interest	£	3.61
Total c/f	£	20,604.76