



**JOHNSON FELLOWS**  
CHARTERED SURVEYORS

**Permanent House**

**1 Leicester Street**

**Walsall**

**WS1 1PT**

**Service Charge Expenditure Report**

**1<sup>st</sup> January 2022 to**

**31<sup>st</sup> December 2022**



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





## **Introduction**

The service charge expenditure report is intended to provide details of the expenditure incurred for the service charge year.

## **The Property**

The subject property is situated on the corner of Leicester Street and Bridge Street at the heart of Walsall town centre.

The property comprises a self contained ground floor retail unit with basement accommodation and four floors of office accommodation above. The offices have a separate dedicated entrance from Leicester Street.

The common areas to the office accommodation consist of a central staircase and passenger lift. Toilet facilities are provided at each half landing level. The toilets are demised to the tenants and do not form part of the communal areas.

## **Voids and Concessions**

Where void accommodation exists, the Landlord is responsible for the apportioned service charge applicable to the floors. The second floor remained vacant for the duration of the service charge year.

## **Service Charge History**

The individual leases permit for on account service charge payments. However, the arrangement adopted is based on the recharging of the Landlord's outgoings on an apportioned basis rather than the provision of a structured budget. Fixed sums are demanded from the tenants in advance in order to cover the anticipated expenditure for the period ahead. The recovery of the Landlord's costs is on a 'not for profit, not for loss' basis.

## **VAT**

The Landlord has elected the property for VAT; consequently the expenditure is stated net 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.



### **Service Charge Objectives**

The service charge expenditure report is aimed at providing a clear explanation of the expenditure incurred and is to promote clarity and transparency. Should any occupier have comments on the format or the information contained in this report that would assist with the report being improved for the benefit of all concerned, these comments would be welcome. We would also welcome constructive feedback on the communal services provided at the property.

The objective of Johnson Fellows as Managing Agents is to provide a high quality management service. In doing so, we aim to provide a well maintained business environment, delivering value for money for the service charge expenditure.

The service charge year end accounts and this report have been prepared having regard to the RICS Practice Standards; Service Charges in Commercial Property, 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](mailto: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: 07594089316  
Email: [tina.hothi@johnsonfellows.co.uk](mailto: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](mailto:rebecca.glover@johnsonfellows.co.uk)

Rebecca Glover is the client accountant responsible for this property.



## **Service Charge Apportionment**

The Landlord's expenses and outgoings are apportioned on a percentage basis. The percentages have been calculated on fair and reasonable basis having regard to the floor area occupied.

Two percentage schedules are adopted as summarised below.

### **Schedule 1 – Upper Floor Occupiers**

This schedule covers the items of expenditure that are associated with the common parts of the upper floor office accommodation. The occupier of the ground floor and basement does not contribute towards this schedule. They do not have access to the upper areas and do not benefit from the services provided.

The items within this schedule include the internal cleaning, maintenance, internal window cleaning, lift maintenance and fire alarm maintenance etc.

### **Schedule 2 – All Occupiers**

This schedule covers the costs that are associated with the building as a whole and benefit all occupiers including the tenant of the ground floor and basement accommodation.

The items within this schedule include repairs to the external common parts and structure of the building.

A service charge apportionment schedule is attached at Appendix A.



## **Expenditure Commentary**

### ***SCHEDULE 1 – Upper Floor Occupiers***

***All figures are shown net of VAT***

- **Cleaning** **£520.00**

The contract cost for the cleaning of the entrance lobby, stairwell, landing areas and lift.

- **Toilet Requisites** **£364.31**

Whilst labelled as 'toilet requisites' the expenditure covered the monthly replacement of the door mat to the entrance lobby.

- **Window Cleaning** **£520.00**

The expenditure represents the cost of the internal window cleaning contract for the entrance lobby, stairwell and landings. It also included the cost of the external cleaning of the windows that is carried out on an ad-hoc basis.

- **Electricity Supply** **£-60.13**

The expenditure is for the electricity supply to the common parts, although there is a credit on the account and this will be accrued into year ending 2023

- **Lift Maintenance** **£0.00**

No expenditure has been undertaken to service or maintain the lifts for the year ending 2022

- **Fire Prevention** **£150.00**

The cost of the bi-annual fire alarm and emergency lights service for the communal areas.

- **Insurance** **£0.00**

No expenditure has occurred for the insurance for year ending 2022



- **Audit Fees** **£250.00**

This figure represents the fee for the annual service charge accounts to be certified by an independent accountant in order to promote transparency and verify accuracy.

- **Management Fees** **£1,912.00**

The fees charged for managing the property and administering the service charge.

**Total**

**Schedule 1** **£2,536.18**



**SCHEDULE 2 – All Occupiers**

**All figures are shown net of VAT**

There was no expenditure incurred under this schedule during the service charge year.

.....  
Associate Partner

.....  
Dated

02<sup>nd</sup> October 2023

.....  
Facilities Manager

.....  
Dated

02<sup>nd</sup> October 2023



**Appendix A**

**PERMANENT HOUSE, 1 LEICESTER STREET, WALSALL**

**Service Charge Percentage Apportionment**

**1st January to 31st December 2022**

<b>Floor</b>	<b>Floor Area (sq ft)</b>	<b>Schedule 1 - Upper Floor Occupiers</b>	<b>Schedule 2 - All Occupiers</b>
Basement	325	n/a	8.55%
Ground Floor	676	n/a	17.77%
First Floor	700	25.00%	18.42%
Second Floor	700	25.00%	18.42%
Third Floor	700	25.00%	18.42%
Fourth Floor	700	25.00%	18.42%
<b>Total</b>	<b>3,801</b>	<b>100.00%</b>	<b>100.00%</b>



**Appendix B**

<b>Address: Permanent House 1 Leicester Street Walsall</b>				
<b>Service Charge Variance - Budget vs Actual YE 2022</b>				
<b>1st January 2020 to 31st December 2022</b>				
<b>Service Charge Budget Heading</b>	<b>Schedule</b>	<b>Budget Heading Cost 2020</b>	<b>Actual Year End 2022</b>	<b>Variance</b>
Cleaning	1	£2,600.00	£520.00	-£2,080.00
Toilet Requisites	1	£300.00	£346.31	£46.31
Window Cleaning	1	£500.00	£520.00	£20.00
Building Repair	1	£500.00	£-00	-£500.00
Electricity Supply	1	£500.00	-£60.13	-£560.13
Lift Maintenance	1	£2,000.00	£-00	-£2,000.00
Fire Prevention	1	£500.00	£150.00	-£350.00
Insurance	1	£300.00	£-00	-£300.00
Audit Fee	1	£250.00	£-00	-£250.00
Facilities management Fee	1	£500.00	£-00	-£500.00
Management Fees	1	£2,000.00	£1,060.00	-£940.00
<b>Total</b>		<b>£9,950.00</b>	<b>£2,536.18</b>	<b>-£7,413.82</b>