



28 Royal Parade and 29 New George  
Street

Plymouth

Devon

Service Charge Reconciliation Report

29<sup>th</sup> September 2021 to 28<sup>th</sup>  
September 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 Landlord, Tesco Stores Ltd. It is intended to provide details of the expenditure for the service charge period 29<sup>th</sup> September 2021 to 28<sup>th</sup> September 2022.

Enclosed within this report is a copy of the Service Charge Variation Schedule and Service Charge Apportionment Schedule.

The service charge is administered having regard to RICS Practice Standards; Service Charges in Commercial Property; 1st Edition, Code of Practice.

## **The Property**

The property is located between Royal Parade and New George Street within the central retail area of the port city of Plymouth. The A38 Devon Expressway is approximately 2 miles to the north.

The property is a 1960's concrete framed structure with clad elevations and a flat roof. It is arranged over basement to third floors. Formerly part of the adjacent Debenhams department store, the building is now shared between TK Maxx and Tesco.

The building is essentially split vertically, with the TK Maxx unit being accessed from Royal Parade and the Tesco unit from New George Street. There is a service yard to the rear that is also shared with the neighbouring buildings.

The communal services include the maintenance of the external roof and structure, the internal fire escape stairwells, pest control, drain maintenance, fire safety and communal area electrical consumption and compliance.

## **Service Charge Objectives**

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

The objective of this budget report is to provide a clear explanation for recovery of the service charge expenditure on a not for profit/not for loss basis. It is also to promote clarity and transparency and to allow the tenants to budget accurately for the forthcoming period.

Should either 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. We would also welcome constructive feedback on the communal services provided at the property.



### **VAT**

The property is elected for VAT, consequently the expenditure stated within this report is net of VAT.

### **Voids and Concessions**

Where any void units exist, the responsibility for the service charge rests with the Landlord. There are currently no voids.

### **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.

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

### **Reserve Fund**

There is no reserve fund.



### **Service Charge Apportionment**

The expenditure is contained under a single schedule that both occupiers contribute towards.

The apportionment for this schedule is calculated having regard to the total gross internal floor area demised to each occupier.

An Apportionment Schedule is attached at Appendix A.



## **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:**

Maria Lazenbury  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0462  
Mobile: 07887 745 635  
Email: [Maria.Lazenbury@johnsonfellows.co.uk](mailto: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](mailto:rebecca.glover@johnsonfellows.co.uk)

Rebecca Glover is the client accountant responsible for this property.



## Expenditure Commentary

*All figures are shown net of VAT*

- **Electrical Maintenance** **£0.00**

No expenditure was incurred under this heading within this financial year.

- **Roof Maintenance** **£2303.00**

For works relating to gutter/downpipe cleaning and maintenance at roof level.

- **External Repairs** **£3646.00**

Costs incurred were in respect of maintenance and remedial works in connection with the lighting protection and roof top mansafe systems.

- **Health & Safety** **£0.00**

No expenditure was incurred under this heading within this financial year.

- **Drain Maintenance** **£2992.50**

Costs incurred in respect for drainage survey and associate remedial works required to drainage and manhole.

- **Audit Fee** **£500.00**

The RICS Service Charge Code of Practice states that service charge accounts for commercial properties are to be independently certified on an annual basis. This cost heading represents the accountant's fee.

- **Management Fee** **£4946.00**

This figure represents the costs incurred for the management of the property, administration of the service charge and completing periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual indexation. The budget for the service charge year 2021 was rolled over for 2022 and therefore the expenditure incurred in this particular year represents the RPI adjustment to bring this fee up to date.

- **Facilities Management** **£2198.00**

The figure represents the costs incurred to organise and supervise the various contracts in place, dealing with items of maintenance and ensuring compliance. The budget for the service charge year 2021 was rolled over for 2022 and therefore the expenditure incurred in this particular year represents the RPI adjustment to bring this fee up to date.

**Total** **£16,585.50**



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Facilities Manager

Associate Partner



Appendix A

**28 Royal Parade & 29 New George Street, Plymouth**

**Service Charge Apportionment Schedule**

<b>TK Maxx</b>	<b>Area Sq Ft</b>	<b>Percentage</b>
Basement	7,004	
Ground Floor	8,165	
First Floor	16,309	
Second Floor	8,861	
Third Floor	4,993	
<b>Total</b>	<b>45,332</b>	<b>61.00%</b>

<b>Tesco</b>		
Basement	9,005	
Ground Floor	10,483	
First Floor	N/A	
Second Floor	7,589	
Third Floor	1,987	
<b>Total</b>	<b>29,064</b>	<b>39.00%</b>

<b>Grand Total</b>	<b>74,396</b>	<b>100.00%</b>
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## Appendix B

**28 Royal Parade & 29 New George Street, Plymouth**

### **Service Charge Budget Schedule**

**29th September 2021 to 28th September 2022**

The property is VAT registered. Figures for all schedules are shown net of VAT.

<b>Service Charge Item</b>	<b>Budget 2021-2022</b>	<b>Actual 2021-2022</b>	<b>Variance (£)</b>	<b>Variance (%)</b>
Cleaning	£ 1,000.00	£ -	-£ 1,000.00	-100.00%
Pest Control	£ 1,000.00	£ -	-£ 1,000.00	-100.00%
Drain Maintenance	£ 1,000.00	£ 2,992.50	£ 1,992.50	199.25%
Electrical Maintenance	£ 4,000.00	£ -	-£ 4,000.00	-100.00%
Roof Maintenance	£ 11,000.00	£ 2,303.00	-£ 8,697.00	-79.06%
External Maintenance	£ 5,000.00	£ 3,646.00	-£ 1,354.00	-27.08%
Electricity	£ 1,000.00	£ -	-£ 1,000.00	-100.00%
Fire Safety	£ 1,000.00	£ -	-£ 1,000.00	-100.00%
Health & Safety	£ 1,500.00	£ -	-£ 1,500.00	-100.00%
Audit Fee	£ 500.00	£ 500.00	£ -	0.00%
Management Fee	£ 4,762.20	£ 4,946.00	£ 183.80	3.86%
Facilities Management Fee	£ 2,116.19	£ 2,198.00	£ 81.81	3.87%
	<b>£ 33,878.39</b>	<b>£ 16,585.50</b>	<b>-£ 17,292.89</b>	<b>-51.04%</b>

**TESCO STORES LTD  
28 ROYAL PARADE & 29 NEW GEORGE STREET  
PLYMOUTH**

**SERVICE COSTS STATEMENT**

**INDEPENDENT REVIEW**

**YEAR ENDED 28TH SEPTEMBER 2022**

**Haines Watts**

**28 Royal Parade & 29 New George Street  
Plymouth  
Certificate of Service Costs for the year ended 28th September 2022**

	2022	2021
Drain Maintenance	2,992.50	2,507.30
Roof Maintenance	2,303.00	1,150.00
External Maintenance	3,646.00	165.00
Mechanical and Electrical Maintenance	-	530.00
Health and Safety	-	575.00
Audit Fees	500.00	500.00
Management Fees	4,946.00	4,762.20
Facilities Management	2,198.00	2,116.20
<b>Total expenditure</b>	<b><u>16,585.50</u></b>	<b><u>12,305.70</u></b>

No reserve fund held.

**Independent Accountant's Review Report**

To the Manager, 28 Royal Parade & 29 New George Street, Plymouth.

We have reviewed the statement of service charge expenditure for the above property for the year ended 28 September 2022. The statement of service charge expenditure has been prepared by the Manager in accordance with guidance issued by the RICS in the Code of Practice, Services Charges in Commercial Property, 1st edition.

**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 on Review 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 4000 (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 others responsible for the services that comprise the service charge on this property, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures do not include review of the allocation or apportionment of service charge expenditure to occupiers.

The procedures performed in a review are substantially 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**

Our report is made in accordance with the terms of our engagement and is intended solely for the Manager to issue to current occupiers. 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.

A handwritten signature in black ink that reads "Haines Watts". The signature is written in a cursive, flowing style.

Haines Watts  
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