



Sayer House

Oxgate Lane

Cricklewood

London NW2 7JN

Service Charge Budget Report

1st October 2023 –

30th September 2024



Contents

Introduction
The Property
Service Charge Objectives
VAT
Voids and Concessions
Banking
Reserve Fund
Service Charge Apportionment
Management Team
Budget Commentary
Budget Approval

Appendices

- A. Service Charge Apportionment Schedule
- B. Service Charge Variance Schedule

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





Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, W Wing Yip & Brothers Property and Investments Ltd. It is intended to provide details of the planned expenditure for the service charge period 1st October 2023 to 30th September 2024.

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

The service charge is administered having regard to RICS Professional Statement; Service Charges in Commercial Property; 1st Edition.

The Property

The property is located on Oxgate Lane within the north-west London area of Cricklewood. It is approximately 500m from J1 of the M1 Motorway and the North Circular Road. The City of London is approximately 5 miles to the south.

At its frontage, Sayer House is a two storey brick built office building under a pitched roof. To the rear the property provides single storey business units under pitched roofs. A dedicated car park forms part of the property, which is accessed via Horseshoe Close. The site abuts the wider Wing Yip trading estate.

In addition, the occupiers of Sayer House benefit from the shared use of a car park at the end of Horseshoe Close. This is part owned by Wing Yip.

In total Sayer House provides 6 separate business units. There are no internal communal parts, with each unit having a dedicated entrance. The primary services provided for the property consist of external landscaping and external building maintenance, with a contribution towards the upkeep of the shared car park.

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 the 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 any 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.

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.

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

Reserve Fund

A Reserve Fund was inherited from the previous management regime. However, there is currently no ongoing collection within the service charge budget. The balance held is £4,438.00. Funds are within a discrete bank account in order to obtain interest. The account is maintained with Barclays Bank plc, Kidderminster branch.

The funds will be used for future major items of expenditure.



Service Charge Apportionment

The apportionment is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

The budget contains a single schedule that all occupiers contribute towards.

The apportionment percentages are calculated based on net internal floor areas.

Shared costs associated with the rear car park are split with the co-owner on a 64/36 basis. This is arrived at based on the number of spaces within each ownership.



Management Team

Management Surveyor:

Ian Starbuck
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0462
Mobile: 07887 745 635
Email: ian.starbuck@johnsonfellows.co.uk

Ian Starbuck is responsible for the overall management of the property.

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.

Help Desk Manager:

Hardeep Sandhar
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0409
Mobile: 07763 564705
Email: helpdesk@JohnsonFellows.co.uk

Hardeep Sandhar is the Help Desk Manager and is responsible for dealing with urgent reactive maintenance and repair.

Site Manager:

Clive Manyeza
Mobile: 07711 396 763

Clive Manyeza is on site one day per week and is responsible for landscaping, minor items of repair and maintenance and tenant liaison for urgent matters.

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.



Budget Commentary

All figures are shown net of VAT

SCHEDULE 1 - All Occupiers

- **External Landscaping** **£1,000.00**

Whilst the grounds maintenance and landscaping costs have been taken in house by the Site Manager, the budget costs allow for works over and above the routine service, including fly tipping removal. It has been maintained at the same level.

- **External Repairs & Maintenance** **£3,500.00**

The budget figure is the estimated expenditure is for the repair and maintenance of any external building items. It has been maintained at the same level. This includes a contribution towards the shared car park.

- **Electricity** **£750.00**

The cost heading relates to the landlord's communal electricity consumption for Sayer House. The budget has been maintained at the same level following the stabilisation of utility prices.

- **Health & Safety** **£600.00**

The budget covers the costs of completing the annual health and safety assessment. It has been maintained at the same level.

- **Security Systems** **£4,500.00**

The budget heading allows for the ongoing maintenance of the CCTV system and for the installation of external security lighting in order to deter anti-social behaviour. This was originally planned for last year, but was not completed. Overall, the budget has increased.

- **Staff Costs** **£4,039.00**

The cost heading represents the Site Manager's costs in respect of Sayer House. The Site Manager is at the property one day per week and is responsible for landscaping, minor items of repair and maintenance and tenant liaison for urgent matters. Overall, we believe that this results in cost savings, whilst also improving the service. It has been maintained at the same level.

- **Help Desk** **£350.00**

A 24 hour/7 day a week Help Desk has been set up to allow all occupiers to speak with a dedicated operative and report urgent items of repair and maintenance. This will ensure that matters can be handled promptly without delay. The budget has been maintained at the same level.



- **Audit Fee** **£500.00**

The cost heading allows for the year end accounts to be certified by an independent accountant as recommended by the RICS Service Charge Professional Statement. The budget has been maintained at the same level.

- **Management Fee** **£3,194.00**

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 Professional Statement recommends that this be a fixed fee, subject to annual review or indexation. The Retail Price Index has shown an 10.71% increase in the past 12 months.

- **Facilities Management** **£3,801.00**

The figure represents the costs incurred to organise and supervise the various contracts in place, deal with items of maintenance, ensuring compliance and complete regular site inspections. The fee is fixed subject to annual indexation. The Retail Price Index has shown an 10.71% increase in the past 12 months.

Total

Schedule 1 **£22,234.00**

Budget Approval

.....

.....

Facilities Manager

Partner

Dated 1st September 2023

Dated 1st September 2023



Appendix A

Sayer House, Cricklewood

Service Charge Apportionment Schedule

1st October 2023 - 30th September 2024

Unit	Schedule	Area Sq Ft	Percentage
Unit 1	1	5,862	27.70%
Unit 2	1	3,813	18.02%
Unit 3	1	2,886	13.64%
Unit 4	1	1,147	5.42%
Unit 4A	1	3,547	16.76%
Unit 5	1	3,906	18.46%
1 Total		21,161	100.00%



Appendix B

Sayer House, Cricklewood

Service Charge Variance Schedule

1st October 2023 - 30th September 2024

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

Service Charge Item	Schedule	Budget 2022-23	Budget 2023-24
External Landscaping	1	£ 1,000.00	£ 1,000.00
External Repairs & Maintenance	1	£ 3,500.00	£ 3,500.00
Electricity	1	£ 750.00	£ 750.00
Heath & Safety	1	£ 600.00	£ 600.00
Security Systems	1	£ 2,500.00	£ 4,500.00
Staff Costs	1	£ 4,039.00	£ 4,039.00
Help Desk	1	£ 350.00	£ 350.00
Audit Fee	1	£ 500.00	£ 500.00
Management Fee	1	£ 2,885.00	£ 3,194.00
Facilities Management	1	£ 3,433.00	£ 3,801.00
1 Total		£ 19,557.00	£ 22,234.00