

Service Charge Budget Report

Service Charge Year

29th September 2014 to 28th September 2015

For

1016-1018 Kingsbury Road
Erdington
Birmingham
B24 9PZ

Prepared by Johnson Fellows LLP
Charter House
163 Newhall Street
Birmingham
B3 1SW

on behalf of the Landlord
Capital & Provincial Retail Limited



JOHNSON FELLOWS

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JOHNSON FELLOWS

Introduction

We are pleased to confirm the Service Charge Budget for the period 29th September 2014 to 28th September 2015 which is set out within this report. The overall budget for the year is £7,540.00

This report has been prepared by Johnson Fellows on behalf of the landlord, Capital & Provincial Retail Limited. Whilst leases for units at the property do provide for the operation of a service charge for the upkeep of the common parts and services, a service charge has not operated in recent years. A service charge is now being established to attend to the upkeep of the property. This report is intended to provide details of the planned expenditure for the forthcoming service charge year. As this is the first such report, we will look too improve the accuracy of the budget during the initial years of its operation.

Management Team

Neil Wetherell

Partner

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0406

Mobile: 07836 313 914

Email: neil.wetherell@johnsonfellows.co.uk

Neil Wetherell is responsible for the overall management of the property.

Chris Monteith

Facilities Manager

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.

Rachel Scicluna

Partnership Secretary

Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Direct Dial: 0121 234 0417

Email: rachel.scicluna@johnsonfellows.co.uk

Rachel Scicluna is the client accountant responsible for this property.



JOHNSON FELLOWS

Service Charge Objective

The objective of this budget report is to provide a clear explanation of the planned 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 year.

The objective of Johnson Fellows as Managing Agents is to provide a high quality management service; we aim to provide a well maintained environment 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.

VAT

The Landlord has elected the property for VAT therefore all expenditure stated within the report is net of VAT.

Voids and Concessions

Presently there are no void units at the property. The landlord will assume responsibility for the service charge contribution for void units and service charge concessions.

Service Charge Apportionment

The service charge costs are apportioned in line with the terms of the leases which provide for each tenant to pay a due proportion of the service charge which is attributable to each tenant's premises. The general method of apportionment adopted has regard to the Net Internal Area of each unit. This is shown in Appendix A.



JOHNSON FELLOWS

Budget Commentary

1. Cleaning £2,500

Bi-weekly litter pick of common area, removing all loose litter from site. Ad Hoc cost has been budgeted for any unforeseen fly tipping.

2. Pest Control £390

The provision of services for pest control to the common areas- includes the installation of bait boxes and quarterly visits. The service will be reviewed to determine if the frequency of visits should increase/decrease.

3. Car Park Maintenance £950

The costs to ensure that the car park is operating in a safe and risk free manner. The breakdown of the works are as follows:

- £600 to repair the pot holes in the car park,
- £350 ad hoc cost for any unforeseen repairs and maintenance,

4. Drain Maintenance £600

The annual flush out of the drainage channels in the common area

5. Statutory Compliance £250

The fee to undertake a review of the site in accordance with current legislations to minimise risk.

6. Signage £200

For the supply and installation of car park signage for allocated spaces and enforcement policy. We will be consulting the tenants on the car parking policy which will reflect rights granted and reserved the leases.

7. Interest £0

Any interest charged on late payment of service charge will be credited to this budget heading.

8. Audit Fees £150

The fee of an independent accountant to certify the annual service charge statement.

9. Management Fees £2,500

This figure represents the cost of administering the service charge together with arranging communal maintenance/repairs and carrying out periodic inspections of the property. The Management Fee is a fixed fee adjusted annually in line with RPI, in accordance with the RICS Service Charge Code.

Total Budget: £7,540.00



JOHNSON FELLOWS

Appendix A

Apportionment Schedule

1016-1018 Kingsbury Road Erdington Birmingham B24 9PZ				
Apportionment Schedule				
Unit	Occupier	Billing Auth Ref	Area (m2)	Apportionment %
Unit 1 1016	Capitol Tiles	5155862	331.55	63.5%
Unit 3 1016	Greggs	10350502	98.63	18.9%
1016	Carphone Warehouse	5155873	91.8	17.6%
Total			521.98	100.0%
Note Areas taken from VOA				



JOHNSON FELLOWS

Appendix B

Budget Comparison

1016/1018 Kingsbury Road Erdington Birmingham

Service Charge Budget Variance Report

29/09/2014 to 28/09/2015

The property is VAT registered, all figures shown net of VAT

Service Charge Item	Schedule	Actual 2013/2014	Budget 2013/2014	Budget 2014/2015	Budget 2013/2014 v Budget 2014/2015 (%)	Budget 2013/2014 v Budget 2014/2015 (€)
Cleaning	1	£ -	£ -	£ 2,500	N/A	N/A
Pest Control	1	£ -	£ -	£ 390	N/A	N/A
Car Park Maintenance	1	£ -	£ -	£ 950	N/A	N/A
Drain Maintenance	1	£ -	£ -	£ 600	N/A	N/A
Landscape - External	1	£ -	£ -	£ -	N/A	N/A
Statutory Compliance	1	£ -	£ -	£ 250	N/A	N/A
Signage	1	£ -	£ -	£ 200	N/A	N/A
Interest	1	£ -	£ -	£ -	N/A	N/A
Audit Fees	1	£ -	£ -	£ 150	N/A	N/A
Management Fees	1	£ -	£ -	£ 2,500	N/A	N/A
Grand Total		£ -	£ -	£ 7,540	N/A	N/A

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