



JOHNSON FELLOWS

Johnson Fellows LLP  
180 Newhall Street  
Birmingham  
B3 1SJ

**Hamilton District Centre**

**Maidenwell Avenue**

**Leicester**

**LE5 1BJ**

**Service Expenditure Report**

**1<sup>st</sup> January 2023**

**to**

**31<sup>st</sup> December 2023**

## **Contents**

Introduction

The Property

Voids and Concessions

VAT

Reserve Fund

Banking

Service Charge Apportionment

Management Team

Expenditure Commentary

## **Appendices**

- A. Service Charge Apportionment
- B. Service Charge Variance Schedule
- C. Service Costs Audit Statement TC Group

## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord; Tesco Store Stores Limited is intended to provide details of actual expenditure during the service charge year 1<sup>st</sup> January 2023 – 31<sup>st</sup> January 2023

## **The Property**

The property is located on the northern eastern section of the Leicester outer Ring Road, the A563 Hamilton Way, about 4 miles from Leicester City Centre. The premises consist of a parade of 7 shops arranged in a 'L' shaped layout with one section fronting south and a grassed area and Library, the section facing east and Topaz Way. To the rear is a communal service yard accessed from the road servicing the rear of the Tesco Extra located adjacent to the property.

The communal areas maintained directly by the service charge are the external and structural parts of the building, the rear service area and the immediately adjoining pedestrian and landscaped areas. Contributions are also to be made to other common areas of the Centre including the service roads and car park.

## **Voids and Concessions**

The service charge for any void lettable units or attributable to any service charge concessions is the responsibility of the Landlord.

## **VAT**

The Landlord has elected the property for VAT. Consequently, all expenditure is quoted as net of VAT, with VAT being charged at the appropriate rate.

## **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. Consequently, the service charge is not credited with any interest, nor are any bank charges allocated to the service charge.

## **Service Charge Objectives**

The object of this expenditure report is to provide an explanation of the service charge expenditure on a not for profit/not for loss basis.

As Managing Agents, Johnson Fellows aims to provide a quality management service in

order to provide a well-maintained environment and deliver 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.

### **Reserve Fund**

There is no reserve fund at this property.

### **Management Team**

#### **Facilities Manager:**

Robert Scott  
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ  
Mobile: 07540 732 602  
Email: [robert.scott@johnsonfellows.co.uk](mailto:robert.scott@johnsonfellows.co.uk)

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

#### **Assistant Property Manager:**

Narinder Sira  
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ  
Direct Dial: 0121 234 0463  
Email: [narinder.sira@johnsonfellows.co.uk](mailto:narinder.sira@johnsonfellows.co.uk)

Narinder Sira assists with the management of the building, including the administration and collection of the service charge.

#### **Management Surveyor:**

Angela Lindop  
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ  
Email: [angela.lindop@johnsonfellows.co.uk](mailto:angela.lindop@johnsonfellows.co.uk)

Angela Lindop is responsible for the overall management of the property.

## Budget Commentary

### **SCHEDULE 1**

*All figures show net of VAT.*

**Management Fee** **£4,053**

The fee for property management and service charge administration is a fixed amount, indexed annually to the Retail Price Index (RPI). This cost aligns with the budgeted amount.

• **S/C Audit Fees** **£300**

The actual cost of the independent audit carried out by TC Group relates to the accountancy fee for certifying the annual service charge. This cost was on budget.

• **Facilities Manager** **£1,313**

The expenditure relating to facilities management costs, which covers the administration of maintenance works, contracts, inspections, and compliance. It is a fixed fee, indexed annually to the Retail Price Index (RPI). This cost was on budget for the service charge year

• **Health and Safety** **£846.75**

The actual expenditure for the annual site Health and Safety audit carried out by Veritas Safety Services and the retesting of the onsite lighting conductor by Eurosafe Solutions. This cost was marginally over budget.

• **Electricity** **£500**

The actual cost of electricity which supplies the communal external lighting. This cost was in line with the service charge budget.

• **Pest Control** **£756**

The expenditure relating to the annual site pest control services, which were introduced in 2022. Please note, when comparing the actual expenditure for pest control in this service charge year, no budget was allocated for this cost. This was due to an error in the corresponding year's budget, where the cost heading was mistakenly omitted.

• **Snow clearance / Gritting** **£1,406.66**

This expenditure relates to the preventive gritting service provided for the external paved walkways and service yard. The service is activated based on temperature forecasts issued by the Met Office- typically when overnight temperatures are forecast to fall to 0°C or below, or when conditions present a risk of ice formation.

As a reactive service, gritting is carried out when required, rather than on a fixed schedule. Consequently, the actual cost is dependent on the severity and frequency of adverse winter weather conditions. During this service charge year, the cost exceeded the budget by 17%, due to the number of visits and the need for additional mechanical snow clearance.

- **Drainage** **£1,850**

This cost relates to the annual flush-out of drainage channels and Aco drains around the Centre.

In addition to the scheduled maintenance, a contingency amount is budgeted each year to cover reactive drain clearance or blockage removal, as required.

In this service charge year, the actual cost exceeded the budget due to more severe blockages than anticipated. This required CCTV investigation works (£350.00) and additional maintenance to the drainage system was required (£850.00), resulting in an overspend against the allocated budget.

- **Electrical Maintenance** **£0**

There was no expenditure required under this cost heading during this service charge year,

- **External maintenance** **£3,280**

This represents the actual expenditure of the ground's maintenance contract for the site. In addition to the contracted works, additional tasks were undertaken, including the clearance of bowl gutters outside of normal working hours using high-level access equipment (£800), the removal of ivy from brickwork, and the replacement of 10 broken slabs in front of the units (£480). The total cost within this schedule remained under budget for the service charge year.

- **Footpath Maintenance** **£0**

There was no expenditure required under this cost heading during this service charge year,

- **Building Repair** **£650**

The actual expenditure related to emergency work that were required to repair a leak above the units. Overall, this cost heading was under budget for this service charge year

The actual expenditure for the year was £14,955.41 and the budgeted cost was £19,916.00. Overall, the actual expenditure was under budget for the service charge year ending 31<sup>st</sup> December 2023.

Total

**Schedule 1** **£14,955.41**

This budget is net of VAT.

*A Lindop*

Management Surveyor

*R. Scott*

Facilities Manager



**Appendix A**

Leicester:S/C Hamilton District Centre Maidenwell Aven (01995)			
<b>Service Charge Unit Percentages</b>			
Recovery Group = sc			
Reconciliation Period = 01/01/2023-31/12/2023			
*Amounts in gbp			
Unit	Tenant	Days	Schedule 1
0005	Barnardos	365.00	29.2000
0002	Marcus Chung & Nathan Chung	365.00	14.4000
0003	Pap Fa Ltd	365.00	13.9000
0004	Leicestershire & Rutland Organisation For The Relief of Suffering Ltd	365.00	29.5000
0001	Darul Fath Hamilton Trust	87.00	3.0986
0001	Landlord	278.00	9.9014
	<b>Total</b>		<b>100.0000</b>



## Appendix B

Leicester:S/C Hamilton District Centre Maidenwell Aven (01995)					
<b>Service Charge Budget V Expenditure Report</b>					
Recovery Group = sc					
Reconciliation Period = 01/01/2023-31/12/2023					
*Amounts in gbp					
<b>Code</b>	<b>Description</b>	<b>Actual (12/2023)</b>	<b>Budget (12/2023)</b>	<b>Variance</b>	<b>%</b>
<b>1</b>	<b>Schedule 1</b>				
5100-0101	Management Fee	4,053.00	4,053.00	0.00	0.0000
5100-0203	S/C Audit Fees	300.00	300.00	0.00	0.0000
5100-0309	Facilities Manager	1,313.00	1,313.00	0.00	0.0000
5100-0402	Health & Safety	846.75	750.00	96.75	12.9000
5200-0501	Electricity	500.00	500.00	0.00	0.0000
5300-1007	Pest control	756.00	0.00	756.00	
5300-1010	Snow clearance / Gritting	1,406.66	1,200.00	206.66	17.2217
5300-1016	Drainage	1,850.00	800.00	1,050.00	131.2500
5400-1207	Electrical Maintenance	0.00	1,000.00	-1,000.00	-100.0000
5400-1506	External Maintenance	3,280.00	4,000.00	-720.00	-18.0000
5400-1526	Footpath Maintenance	0.00	1,500.00	-1,500.00	-100.0000
5400-1530	Building Repair	650.00	4,500.00	-3,850.00	-85.5556
	<b>Schedule Total</b>	<b>14,955.41</b>	<b>19,916.00</b>	<b>-4,960.59</b>	<b>-24.9076</b>
	<b>Total</b>	<b>£14,955.41</b>	<b>£19,916.00</b>	<b>-£4,960.59</b>	<b>-24.90%</b>

**Appendix C**

**TESCO STORES LIMITED**

**HAMILTON DISTRICT CENTRE  
HAMILTON, LEICESTER**

**SERVICE COST STATEMENT**

**INDEPENDENT REVIEW**

**YEAR ENDED 31ST DECEMBER 2023**



**Hamilton District Centre**  
**Hamilton, Leicester**  
**Certificate of Service Costs for the year ended 31st December 2023**

	2023	2022
Building Repair	650.00	1,070.00
Drain Maintenance	1,850.00	600.00
Foot Path Maintenance	-	-
Electrical Maintenance	500.00	3,296.75
Gritting	1,406.66	1,239.31
External Maintenance	3,280.00	2,400.00
Pest Control	756.00	980.00
Health & Safety	846.75	-
Audit Fees	300.00	300.00
Management Fees	4,053.00	3,599.00
Interest	-	-
Facilities Management	1,313.00	1,165.00
<b>Total expenditure</b>	<b><u>14,955.41</u></b>	<b><u>14,650.06</u></b>

**No reserve fund is held on this property.**

**Independent Accountant's Review Report**

To the Manager, Hamilton District Centre

We have reviewed the statement of service charge expenditure for the above property for the year ended 31 December 2023. 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