



JOHNSON FELLOWS
CHARTERED SURVEYORS

Kingstanding Shopping Centre,

Kings Road,

Kingstanding,

Birmingham,

West Midlands,

B44 9HH

Service Charge Expenditure Report

1st April 2023 to

23rd December 2023



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Introduction

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

A service charge is necessary due to there being communal structures, services and areas.

This is the final service charge report as the landlord took vacant possession of all units on 23rd December 2023 for redevelopment of the site.

The Property

The property comprises of a three-storey shopping centre in multiple occupation, split into a supermarket and 21 retail units.

At the first-floor level a number of units have ancillary accommodation, there is also a customer car park and service area. The main retail units are at ground floor level, some fronting an open central pedestrian mall, others external forecourts facing Kings Road and Kingstanding Road. Around the rear perimeter of the centre is a service road which runs from Kings Road at ground floor level to Kingstanding Road at the equivalent of basement level where several retail units have access into basement ancillary accommodation.

Gates secure the pedestrian entrances to the mall and vehicular access to the roof deck car park/service area and the rear service road.

The common parts include the main structure and the external elements of the buildings (but not the shop frontages), the car park and service yard and road, forecourts, soft landscaped areas and the boundary walls/fences.

There are several communal systems which include parts of the fire alarm, lighting, drains, dry-riser, CCTV, electric and a single water supply to the centre which serves each individual unit.

All occupiers are responsible for contributing to all service charge expenditure for the property.

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. The service charge has VAT charged at the standard 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, neither are any bank charges allocated to the service charge.

Reserve Fund



A reserve fund has not been established.

Service Charge Objectives

The object of this report is to provide clear explanation 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 leaseholders to budget accurately for the service charge year.

We encourage leaseholders to provide comments on the format and/or the information contained in this report which would assist in the report being improved for the benefit of all concerned. We would also welcome constructive feedback on the communal services provided at the property.

As Managing Agents, Johnson Fellows aim to deliver a high-quality management service in order to provide a well-maintained environment and value for money for the service charge expenditure.

The service charge is administered having regard to the RICS professional statement: Service Charges in Commercial Property, 1st edition 2018.

Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0407
Mobile: 07540 732 602
Email: robert.scott@johnsonfellows.co.uk

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

Management Surveyor:

Neil Wetherell
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.

Service Charge Accountant:

Rachel Scicluna
Partnership Secretary
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0417

Rachel Scicluna is the client accountant responsible for this property.

Service Charge Apportionment



The service charge operates for the whole property as defined in the lease documents. The apportionment percentages for each unit are noted within the Service Charge Apportionment, detailed in Appendix A.

The apportionment percentage have been inherited from the previous managing agents and reflect the internal area of each unit.

All occupiers contribute to all expenditure, so there is a single schedule.

Commentary

All figures are shown net of VAT.

- **Management Fee** **£5,280**

This figure represents a fee charged to manage the property and administer the service charge.

- **S/C Audit Fees** **£500**

The fee for the service charge accounts to be certified by external accountants.

- **Facilities Manager** **£2,993**

The figure represents the facilities managers costs to administer the maintenance contracts and organise the repair and maintenance of the common parts.

- **Landlords Risk Assessments, audits & Reviews** **£870**

The cost of the health and safety audits of the common parts of the property which were undertaken during the year.

- **Electricity Supply** **£3,725**

The electric supply for the communal areas of the property, including the external lights.

- **Water and Sewage charges** **£1,510**

The water costs for the single supply which serves the whole centre, including each individual unit.

- **Security Guarding** **£10,413**

Security patrols which included the gates and reactive call outs to incidents triggered by alarms and monitoring of the CCTV.

- **Security Systems** **£2,212**

Maintenance of the security CCTV.

- **External Cleaning** **£9,807**

The contract cost for the cleaning of the common areas, including the mall, car park and service areas.



- **Pest Control** £0

No pest control was undertaken for the common areas.

- **External Landscaping** £730

Basic maintenance of the soft landscaped areas and weed treatment during the service charge year.

- **Snow Clearance / Gritting** £360

The gritting of the pedestrian areas for the 2023/2024 winter.

- **Refuse Collection** £5,625

The costs incurred were for the removal of fly tipping from the communal areas.

- **M&E Maintenance Contract** £619

The contract costs for the maintenance and testing of the communal emergency lights, dry riser and fire extinguishers.

- **M&E Repairs** £1,170

Minor repairs were undertaken to lighting.

- **External Repairs & Maintenance** £2,611

Various external minor repairs were undertaken during the year.

- **Interest** -£70

Interest received for the late payment of service charge.

Total

Schedule 1 £48,355

The expenditure is net of VAT at 20%.

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Partner

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Facilities Manager



Appendix A

Kingstanding Shopping Centre, Birmingham (02199)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 01/04/2023-23/12/2023

*Amounts in gbp

Unit	Tenant	Days	Schedule 1
0001	Farmfoods Limited (Original)	267.00	12.0000
0002	Vacant	267.00	12.0000
0003	Vacant	267.00	3.0000
0004	Vacant	267.00	3.0000
0005	Vacant	267.00	6.0000
0006	Vacant	267.00	3.0000
0007	Vacant	267.00	6.0000
0008	Vacant	267.00	3.0000
0009	Vacant	267.00	7.2000
0010	Vacant	267.00	1.8000
0011	Vacant	267.00	3.0000
0012	Vacant	267.00	3.0000
0013	Vacant	267.00	3.0000
0014	DP Realty Ltd (Original)	266.00	2.9888
0015	Vacant	267.00	3.0000
0016	Vacant	267.00	6.0000
0017	Sportswift Limited (Original)	264.00	5.9326
0017	Vacant	3.00	0.0674
0018	Vacant	267.00	3.0000
0019	Vacant	267.00	3.0000
0020	Vacant	267.00	3.0000
0021	Vacant	267.00	3.0000
0022	Vacant	267.00	4.0000
0023	Western Power Distribution West M	267.00	0.0000
Total			99.9888



Appendix B

Kingstanding Shopping Centre, Birmingham (02199)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 01/04/2023-23/12/2023

*Amounts in gbp

Code	Description	Actual (12/ 2023)	Budget (12/ 2023)	Variance	%	Actual (03/ 2023)
1	Schedule 1					
5100-0101	Management Fee	5,280.00	5,280.03	-0.03	-0.0006	6,674.00
5100-0203	S/C Audit Fees	500.00	375.03	124.97	33.3227	500.00
5100-0309	Facilities Manager	2,992.50	2,992.50	0.00	0.0000	3,783.00
5100-0401	Landlords risk assessments, audits i	870.00	1,125.00	-255.00	-22.6667	475.00
5200-0501	Electricity	3,725.48	2,999.97	725.51	24.1839	1,032.83
5200-0801	Water and sewage charges	1,510.32	1,500.03	10.29	0.6860	1,823.00
5300-0901	Security guarding	10,412.50	9,375.03	1,037.47	11.0663	11,220.00
5300-0902	Security systems	2,212.02	2,250.00	-37.98	-1.6880	2,625.34
5300-1001	Internal Cleaning	865.70	0.00	865.70		0.00
5300-1002	External Cleaning	8,941.30	7,499.97	1,441.33	19.2178	9,314.15
5300-1007	Pest control	0.00	375.03	-375.03	-100.0000	0.00
5300-1009	External Landscaping	730.00	749.97	-19.97	-2.6628	320.00
5300-1010	Snow clearance / Gritting	359.84	1,820.25	-1,460.41	-80.2313	1,682.45
5300-1014	Refuse collection	5,625.00	3,656.25	1,968.75	53.8462	5,761.57
5400-1201	M&E Maintenance contract	618.75	974.97	-356.22	-36.5365	825.00
5400-1202	M&E Repairs	0.00	1,125.00	-1,125.00	-100.0000	1,270.00
5400-1502	External Repairs and maintenance	3,781.38	1,874.97	1,906.41	101.6768	4,302.00
5500-1703	Other income	-69.53	0.00	-69.53		0.00
	Schedule Total	48,355.26	43,974.00	4,381.26	9.9633	51,608.34
	Total	48,355.26	43,974.00	4,381.26	9.9633	51,608.34



Appendix C

LIDL GREAT BRITAIN LTD

**KINGSTANDING SHOPPING CENTRE
BIRMINGHAM**

SERVICE COSTS STATEMENT

INDEPENDENT REVIEW

PERIOD COVERING 1 APRIL 2023 TO 23 DECEMBER 2023

Haines Watts



kingstanding Shopping Centre
Birmingham
Certificate of Service Costs for the period covering 1 April 2023 to 23 December 2023

	2023
Schedule 1	
Management Fees	5,280.00
Audit Fees	500.00
Facilities Manager	2,992.50
Risk Assessments	870.00
Electricity	3,725.48
Water and Sewage	1,510.32
Security	10,412.50
Security Systems	2,212.02
External Cleaning	9,807.00
External Lanscaping	730.00
Gritting	359.84
Refuse Collection	5,625.00
M&E Maintenance	618.75
M&E Repairs	1,170.00
External Repairs and Maintenance	2,611.38
Interest	(69.53)
	<hr/>
	48,355.26
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Total Expenditure	48,355.26

No reserve fund held.

Independent Accountant's Review Report

To the Manager, Lidl Great Britain LTD

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 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.

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