



5/7 High Street

Henley-in-Arden

Solihull

B95 5AA

Service Charge Expenditure Report

1<sup>st</sup> December 2023 to

30<sup>th</sup> November 2024

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## **Introduction**

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

A service charge is required for the upkeep of the communal structures, services and areas benefiting the occupiers.

## **The Property**

The property comprises of a three-storey office building. To the rear is a car park to the offices with vehicular access from Millfield Court.

The common parts serving the whole property include the main structure and the external elements of the building, the car park and the boundary walls/fences. The communal areas also include the front ground floor entrance to the building, reception, stairs to the first and second floor offices and toilets on the first floor.

In addition to the common areas of the building, there are common services including cleaning, heating and all utilities, including electricity consumed within the office suites.

As Managing Agents, Johnson Fellows is appointed to undertake the financial administration of the service charge and facility management of the contracts, ensuring that they are periodically retendered and provide value for money. The actual on-site property management is undertaken directly by the Landlord.

## **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, the service charge is stated net of VAT which is 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. Therefore, the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

## **Reserve Fund**

There is no reserve fund.

## **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.

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 aims to provide a high-quality management service in order to deliver value for money for the service charge expenditure.

The service charge is administered having regard to RICS professional statement: Service charges in commercial property, 1<sup>st</sup> edition.

Due to the level of expenditure and the relationship between the landlord and tenants, the service charge is not certified by external accountants. This approach will be reviewed if circumstances change.

## **Management Team**

### Facilities Manager:

Daniel Blakeman  
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ  
Mobile: 07786 072 755  
Email: Daniel.blakeman@johnsonfellows.co.uk

Daniel Blakeman 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 Apportionment**

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

All tenants are liable for contributing towards all expenditure.

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180 Newhall Street, Birmingham, B3 1SJ

The apportionment of the service charge has regard to the NIA of the accommodation, using the areas adopted by the letting agents.

**Commentary**

*All figures are shown net of VAT*

- **Management Fee** **£2,318**

This figure represents the fee to administer the service charge. It is a fixed fee indexed linked annually to RPI.

- **Facilities Manager** **£713**

This figure represents the fee to administer and re-tender the contracts. It is a fixed fee indexed linked annually to RPI.

- **Landlords risk assessments, audits & review** **£1,438**

The expenditure for the testing of the water and portable electrical appliances throughout the building.

- **Electricity** **£5,763**

The single electricity supply to the whole property, including all office suites. The cost has reduced this year and was in line with the budget, in part due to alternative arrangements being made for electric vehicle charging. Consequently there is no one off contribution by the landlord.

- **Gas** **£3,689**

There is a single gas supply for the boiler providing heating and hot water to the building. The cost was below budget.

- **Water and Sewage Charges** **£616**

There is a single metered water supply for the property. The expenditure was in line with the budget.

We are pressing the water company to take an actual meter reading.

- **Satellite/TV Aerial** **£0**

No cost included this year.

- **Internal Cleaning** **£8,004**



The contract cost for the cleaning of the common areas, the individual office suites and windows together with toilet supplies. The cost was above budget reflecting the new internal cleaning contract.

- **Refuse Collection** **£1,286**

The contract cost for the refuse removal, comprising one Euro bin emptied periodically. The cost was in line with the budget.

- **Drainage** **£290**

Significant costs were incurred in repairing a collapsed drain during this year. Most of these costs were covered by an insurance claim which has been settled.

- **Boiler Maintenance** **£296**

The cost of the maintenance contract for the central heating. This annual cost has been significantly reduced following a new boiler being installed.

- **Fire Prevention/Detection** **£1,201**

The cost of maintaining and testing of the fire alarm and extinguishers.

- **Internal Repairs and Maintenance** **£1,117**

Minor internal decorations were completed.

- **External Repairs and Maintenance** **£1,450**

Minor external maintenance works were completed.

**Total**

**Schedule 1** **£28,182**

The expenditure was £375 (1.3%) above budget.

Please note this expenditure is net of VAT at 20%.

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Management Surveyor

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5/7 High Street, Henley In Arden (02033)

## Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 01/12/2023-30/11/2024

\*Amounts in gbp

Unit	Tenant	Days	Schedule 1
0001	<b>Opus Land Limited (Original)</b>	366.00	49.0000
0002	<b>Tiger Coatings UK Ltd (Renewal)</b>	31.00	19.0000
0003	<b>GM Asset Management Limited (Original)</b>	366.00	23.0000
0004	<b>Ms K Burrows (Renewal)</b>	366.00	9.0000
	<b>Total</b>		<b>100.0000</b>

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## Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 01/12/2023-30/11/2024

\*Amounts in gbp

Code	Description	Actual (11/2024)	Budget (11/2024)	Variance	%
<b>1</b>	<b>Schedule 1</b>				
5100-0101	Management Fee	2,318.16	2,318.18	-0.02	-0.0009
5100-0309	Facilities Manager	712.92	712.95	-0.03	-0.0042
5100-0401	Landlords risk assessments, audits	1,438.14	618.85	819.29	132.3891
5200-0501	Electricity	5,762.68	5,616.00	146.68	2.6118
5200-0601	Gas	3,688.73	5,250.00	-1,561.27	-29.7385
5200-0801	Water and sewage charges	616.21	600.00	16.21	2.7017
5200-0901	Satellite/TV Aerial	0.00	160.00	-160.00	-100.0000
5300-1001	Internal Cleaning	8,004.44	6,760.00	1,244.44	18.4089
5300-1014	Refuse collection	1,286.36	1,200.00	86.36	7.1967
5300-1016	Drainage	289.63	250.00	39.63	15.8520
5400-1208	Boiler Maintenance	296.00	935.00	-639.00	-68.3422
5400-1211	Fire prevention/detection	1,201.83	1,386.00	-184.17	-13.2879
5400-1501	Internal Repairs and maintenance	1,117.21	1,000.00	117.21	11.7210
5400-1502	External Repairs and maintenance	1,450.00	1,000.00	450.00	45.0000
	<b>Schedule Total</b>	<b>28,182.31</b>	<b>27,806.98</b>	<b>375.33</b>	<b>1.3498</b>
	<b>Total</b>	<b>28,182.31</b>	<b>27,806.98</b>	<b>375.33</b>	<b>1.3498</b>

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