



**10-15 Broad Street**

**Banbury**

**Oxfordshire**

**OX16 5BN**

**Service Charge Expenditure Report**

**29<sup>th</sup> September 2023 to**

**28<sup>th</sup> September 2024**

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## **Introduction**

This report has been produced by Johnson Fellows on behalf of the Landlord, Right Investments Limited. Its purpose is to provide details of the expenditure for the service charge year.

## **The Property**

The property is within Banbury town centre. It comprises of two retail units and second floor residential flats fronting Broad Street. The flats are accessed from Christchurch Court to the rear where there is a car park area and service access to the shop units.

The service charge funds the maintenance of the communal areas including the service yard and car park together with the external and structural parts of the building. The internal common areas exclusively serve the residential tenants.

## **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 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 aims to provide a high-quality management service to provide a well-maintained environment and 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.

## **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 payable by the commercial lessees 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. Therefore, the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

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

### **Reserve Fund**

Due to anticipated works, surplus service charge funds which have not been expended this year have been credited to a reserve fund as follows:

Reserve Fund Schedule 2	£5,450
Reserve Fund Schedule 3	£3,100

The anticipated future works include:

- Repair of car park surface
- External decorations

### **Management Team**

#### Facilities Manager:

Daniel Blakeman  
Direct Dial: 0121 234 0409  
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 unit are detailed in the Service Charge Apportionment Appendix A.

The landlord pays the contribution for the residential flats.

Due to the combination of commercial and residential accommodation, service charge schedules have been adopted.

Schedule 1 – 100% Gross Residential - Expenditure exclusively for the residential flats, including the entrance and internal stairwell and corridor.

Schedule 2 – Commercial Nett 68.23% - This schedule is for the contribution by the commercial units towards the expenditure on the structure and external common areas including the fire escape stairs. The costs for this schedule are calculate as 68.23% of this expenditure.

Schedule 3 – RESI (GROSS) 31.77% - This schedule is for the contribution by the residential flats towards the expenditure on the structure and external common areas including the fire escape stairs. The costs for this schedule are calculate as 31.77% of this expenditure.

### **Commentary**

#### **SCHEDULE 1 100% GROSS RESIDENTIAL**

- **Management Fee** **£1,411**

A proportion of the fee to manage the property and administer the service charge which is a fixed annual cost linked to RPI.

- **S/C Audit Fees** **£160**

A proportion of the fee for the service charge to be certified by external accountants.

- **Facilities Manager** **£1,037**

A fixed proportion of the facilities managers costs linked annually to RPI, to administer the maintenance contracts, compliance and the repair and maintenance of the common parts and services.

- **Landlords risk assessments, audits & reviews** **£0**

No expenditure was incurred under this heading. The expenditure on the fire alarm systems has been included under Fire Prevention/detection.

- **Electricity** **£721**

The electricity for the internal common areas.

- **Water and sewage charges** **£640**

The metered water supplied to the residential areas of the building.

- **Security systems** **£431**

The broadband for the CCTV system.

- **Internal Cleaning** **£646**

The contract cost for the internal cleaning of the communal areas.

- **Window cleaning** **£450**

The cleaning of the external residential windows.

- **Fire prevention/detection** **£1,012**

Maintenance of the fire alarm together with periodic safety tests and checks. This contract also includes the maintenance of the CCTV.

There were also repairs to a fault on the fire alarm panel.

- **Internal Repairs and maintenance** **£1,039**

Various minor repairs were required during the year, the most notable of which were repairs resulting from a leaking water supply pipe. The expenditure was below budget.

**Schedule Total** **£7,547**

The schedule expenditure was £321 (4.07%) below budget.

## **SCHEDULE 2 COMMERCIAL Nett 68.23%**

- **Management Fee** **£1,608**

A proportion of the fee to manage the property and administer the service charge which is a fixed annual cost linked to RPI.

- **S/C Audit Fees** **£182**

A proportion of the fee for the service charge to be certified by external accountants.

- **Facilities Manager** **£1,182**

A fixed proportion of the facilities managers costs linked annually to RPI, to administer the maintenance contracts, compliance and the repair and maintenance of the common parts and services.

- **Landlords risk assessments, audits & reviews** **£0**

No expenditure was incurred.

- **Security systems** **£426**

The broadband for the CCTV system.

- **Pest Control** **£475**

Pest control contract for the external areas and management of pigeons.

- **Snow Clearance / Gritting** **£0**

No expenditure was incurred.

- **Car Park Maintenance** **£822**

Fortnightly cleaning of the car park together with the installation of a utility hole cover.

- **Building Repair** **£964**

Repairs to the building rainwater goods and external signs which had been vandalised.

- **Interest** **-£38**

Interest on the late receipt of service charge contributions.

- **Reserve Fund** **£5,450**

Surplus funds from the expenditure being below budget because of deferred repairs and maintenance have been paid into a reserve fund to help fund future expenditure.

**Schedule Total** **£11,071**

### **SCHEDULE 3 RESI (GROSS) 31.77%**

- **Management Fee** **£897**

A proportion of the fee to manage the property and administer the service charge which is a fixed annual cost linked to RPI.

- **S/C Audit Fees** **£102**

A proportion of the fee for the service charge to be certified by external accountants.

- **Facilities Manager** **£660**

A fixed proportion of the facilities managers costs linked annually to RPI, to administer the maintenance contracts, compliance and the repair and maintenance of the common parts and services.

- **Landlords risk assessments, audits & reviews** **£0**

No expenditure was incurred.

- **Security systems** **£238**

The broadband for the CCTV system.

- **Pest Control** **£265**

Pest control contract for the external areas and management of pigeons.

- **Snow Clearance / Gritting** **£0**

No expenditure was incurred.

- **Car Park Maintenance** **£459**

Fortnightly cleaning of the car park together with the installation of a utility hole cover.

- **Building Repair** **£488**

Repairs to the building rainwater goods and external signs which had been vandalised.

- **Interest** **-£18**

Interest on the late receipt of service charge contributions.

- **Reserve Fund** **£3,100**

Surplus funds from the expenditure being below budget because of deferred repairs and maintenance have been paid into a reserve fund to help fund future expenditure.

**Schedule Total** **£6,192**

**GRAND TOTAL** **£24,809**



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Management Surveyor



## Appendix A

Banbury:10-15 Broad Street (02003)

### **Service Charge Unit Percentages**

Recovery Group = sc

Reconciliation Period = 29/09/2023-28/09/2024

\*Amounts in gbp

<b>Unit</b>	<b>Tenant</b>	<b>Days</b>	<b>00% GROSS RESIDENTIAL</b>	<b>Commercial Nett 68.23%</b>	<b>RESI (GROSS) 31.77%</b>
0001	<b>British Heart Foundation (Original)</b>	366.00	0.0000	84.1500	0.0000
0002	<b>Raj and Raj Ltd (Original)</b>	366.00	0.0000	15.8500	0.0000
0003	<b>Residential</b>	366.00	100.0000	0.0000	100.0000
<b>Total</b>			<b>100.0000</b>	<b>100.0000</b>	<b>100.0000</b>

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## Appendix B

Banbury:10-15 Broad Street (02003)

### Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 29/09/2023-28/09/2024

\*Amounts in gbp

Code	Description	Actual (09/2024)	Budget (09/2024)	Variance	%	Actual (09/2023)
<b>1</b>	<b>100% GROSS RESIDENTIAL</b>					
5100-0101	Management Fee	1,411.16	1,411.17	-0.01	-0.0007	864.37
5100-0203	S/C Audit Fees	159.84	159.84	0.00	0.0000	240.00
5100-0309	Facilities Manager	1,037.24	1,037.25	-0.01	-0.0010	926.11
5100-0401	Landlords risk assessments, audits i	0.00	299.70	-299.70	-100.0000	0.00
5200-0501	Electricity	721.04	0.00	721.04		1,483.95
5200-0801	Water and sewage charges	640.14	0.00	640.14		0.00
5300-0902	Security systems	431.53	399.60	31.93	7.9905	813.30
5300-1001	Internal Cleaning	645.69	1,020.00	-374.31	-36.6971	2,054.31
5300-1003	Window cleaning	450.00	180.00	270.00	150.0000	600.00
5400-1211	Fire prevention/detection	1,011.60	1,320.00	-308.40	-23.3636	936.18
5400-1501	Internal Repairs and maintenance	1,038.80	2,040.00	-1,001.20	-49.0784	2,776.80
	<b>Schedule Total</b>	<b>7,547.04</b>	<b>7,867.56</b>	<b>-320.52</b>	<b>-4.0739</b>	<b>10,695.02</b>
<b>2</b>	<b>Commercial Nett 68.23%</b>					
5100-0101	Management Fee	1,607.56	1,607.56	0.00	0.0000	1,685.03
5100-0203	S/C Audit Fees	182.08	182.08	0.00	0.0000	136.46
5100-0309	Facilities Manager	1,181.60	1,181.60	0.00	0.0000	1,073.22
5100-0401	Landlords risk assessments, audits i	0.00	341.41	-341.41	-100.0000	0.00
5300-0902	Security systems	426.04	455.21	-29.17	-6.4080	429.85
5300-1007	Pest control	474.88	1,159.40	-684.52	-59.0409	0.00
5300-1010	Snow clearance / Gritting	0.00	34.10	-34.10	-100.0000	0.00
5400-1505	Car Park Maintenance	821.98	2,046.00	-1,224.02	-59.8250	690.34
5400-1530	Building Repair	964.42	4,092.00	-3,127.58	-76.4316	4,544.11
5500-1601	Interest	-38.02	0.00	-38.02		0.00
5700-2202	Reserve fund	5,450.00	0.00	5,450.00		0.00
	<b>Schedule Total</b>	<b>11,070.54</b>	<b>11,099.36</b>	<b>-28.82</b>	<b>-0.2597</b>	<b>8,559.01</b>
<b>3</b>	<b>RESI (GROSS) 31.77%</b>					
5100-0101	Management Fee	897.43	897.50	-0.07	-0.0078	941.52
5100-0203	S/C Audit Fees	101.66	101.66	0.00	0.0000	76.25
5100-0309	Facilities Manager	659.67	659.69	-0.02	-0.0030	599.67
5100-0401	Landlords risk assessments, audits i	0.00	190.61	-190.61	-100.0000	0.00
5300-0902	Security systems	238.23	254.15	-15.92	-6.2640	226.13
5300-1007	Pest control	265.36	648.72	-383.36	-59.0948	0.00
5300-1010	Snow clearance / Gritting	0.00	19.08	-19.08	-100.0000	0.00
5400-1505	Car Park Maintenance	459.33	1,144.80	-685.47	-59.8768	385.75
5400-1530	Building Repair	488.06	2,289.60	-1,801.54	-78.6836	2,115.89
5500-1601	Interest	-17.71	0.00	-17.71		0.00
5700-2202	Reserve fund	3,100.00	0.00	3,100.00		0.00
	<b>Schedule Total</b>	<b>6,192.03</b>	<b>6,205.81</b>	<b>-13.78</b>	<b>-0.2220</b>	<b>4,345.21</b>
	<b>Total</b>	<b>24,809.61</b>	<b>25,172.73</b>	<b>-363.12</b>	<b>-1.4425</b>	<b>23,599.24</b>

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**Appendix C**

**RIGHT INVESTMENTS LIMITED  
10-15 BROAD STREET  
BANBURY**

**SERVICE COST STATEMENT**

**INDEPENDENT REVIEW**

**YEAR ENDED 28TH SEPTEMBER 2024**



Johnson Fellows LLP  
180, Newhall Street, Birmingham, B3 1SJ



10-15 Broad Street  
Banbury  
Certificate of Service Costs for the year ended 28th September 2024

	2024	2023
<b>100% Gross Residential:</b>		
Door Entry System	-	102.00
Window Cleaning	450.00	600.00
Cleaning	645.69	2,054.31
Repairs - Internal	1,038.80	2,776.80
Sewage	640.14	-
Electricity	721.04	1,483.95
Security Equipment	431.53	813.30
Fire Prevention	1,011.60	936.18
Audit Fees	159.84	240.00
Management Fees	1,411.16	864.37
Facilities Management	1,037.24	926.11
	<u>7,547.04</u>	<u>10,747.02</u>
<b>Commercial Nett (68.23%):</b>		
Car Park Maintenance	821.98	690.34
Building repair	964.47	4,544.11
Pest Control	474.88	-
External Maintenance	-	2,762.98
Security Equipment	426.04	429.85
Reserve Fund	5,450.00	-
Interest	38.02	-
Audit Fees	182.08	136.46
Management Fees	1,607.56	1,685.03
Facilities Management	1,181.60	1,073.22
	<u>11,070.54</u>	<u>11,321.99</u>
<b>Residential Gross (31.77%):</b>		
Car Park Maintenance	459.33	385.75
Building Repairs	488.06	2,115.89
Pest Control	265.36	-
External Maintenance	-	1,543.84
Security Equipment	238.23	226.13
Reserve Fund	3,100.00	-
Interest	17.71	-
Audit Fees	101.66	76.25
Management Fees	897.43	941.52
Facilities Management	659.67	599.67
	<u>6,192.03</u>	<u>5,889.05</u>
<b>Total expenditure</b>	<u><u>24,809.61</u></u>	<u><u>20,000.06</u></u>
<b>Reserve Fund:</b>		
Balances @ 29.09.23	-	
Paid during the year	8,550.00	
Interest in the year	-	
Balance @ 28.09.24	<u><u>8,550.00</u></u>	

### Independent Accountant's Review Report

To the Manager, 10-15 Broad Street, Banbury.

We have reviewed the statement of service charge expenditure for the above property for the year ended 20th September 2024. 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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