



Hamilton District Centre

Maidenwell Avenue

Leicester

LE5 1BJ

Service Charge Expenditure Report

**1st January 2021 to 31st December
2021**



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Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, Tesco Stores Limited. It is intended to provide details of the expenditure incurred during the 2018 service charge year.

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 consists of 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 adjoin pedestrian and landscaped areas. Contributions are also to be made towards the repair and maintenance of the other common areas of the centre including the landscape areas, service roads and car park.

Void 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 will have 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.

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

There is no sinking fund or reserve fund.

Service Charge Objectives

The object of this expenditure 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 forthcoming 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 in order 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.



Management Team

Facilities Manager:

Chris Monteith
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.

Management Surveyor:

George Brittain/ Angela Lindop
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW

Service Charge Accountant:

Rebecca Glover
Client Accounts
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0405
Email: rebecca.glover@johnsonfellows.co.uk

Rebecca Glover is the client accountant responsible for this property.



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.

The service charge percentage apportionments are detailed in Appendix A.



Expenditure Commentary

SCHEDULE 1

All figures are shown net of VAT

- **Building Repairs** **£8,700.00**

This is the cost of various works including roof repairs, guttering and downpipe cleaning.

- **Drain Maintenance** **£675.00**

This is the cost of drain clearance as required during the service charge year.

- **Electrical Maintenance** **£0**

There were no costs associated under this heading during the service charge year.

- **Footpath Maintenance** **£500.00**

This is the cost associated with the replacement of sandstone slabs and re-painting step markings.

- **Gritting** **£ -93.59**

Cost of gritting footpaths and service yard. Although gritting visits did take place during the service charge year, a credit has been bought forward into the accounts resulting in a negative expenditure total.

- **External Maintenance** **£3,543.84**

Cost of grounds maintenance contract and general maintenance required during the service charge year.

- **Health and Safety** **£330.00**

The cost of carrying lightning protection re- testing.

- **Interest** **-£16.17**

Interest accrued on collected arrears.

- **Audit Fee** **£250.00**

Haines Watts undertook independent certification of the service charge accounts as required by The RICS Service Charge Code of Practice.



- **Management Fee** **£3,432.00**

This figure represents the cost incurred for the management of the property and administration of the service charge, including periodic inspection. The RICS Service Charge Code of Practice recommends that this be a fixed fee, subject to annual review or indexation. The figure is as per the service charge budget.

- **Facilities Management Fee** **£1,111.00**

This was the cost for the Facilities Manager to organise and supervise the contracts and maintenance and matches the budgeted figure.

Total

Schedule 1 **£18,432.08**

A Lindop

[Handwritten Signature]

.....
Management Surveyor

.....
Facilities Manager



Appendix A

Hamilton District Centre, Thurmaston, Leicester LE5 1BJ

Service Charge Apportionment Schedule

Unit	sqft	GIA (sq m)	Schedule 1 All Tenants
1	1038	96	13.0%
2	1150	107	14.4%
3	1111	103	13.9%
4 & 5	2336	217	29.2%
6 & 7	2354	219	29.5%
		742	100.0%



Appendix B

Hamilton District Centre, Thurmaston, Leicester LE5 1BJ

Service Charge Variance Schedule

1st January 2021 to 31st December 2021

The property is VAT registered. Figures shown net of VAT.

Service Charge Item	Schedule	Budget 2020	Budget 2021	Budget v Budget Variance %	Budget v Budget Variance £
Building Repairs	1	£4,500	£4,500	0.00%	£0
Drain Maintenance	1	£800	£800	0.00%	£0
Electrical Maintenance	1	£1,000	£1,000	0.00%	£0
Footpath Maintenance	1	£1,200	£1,200	0.00%	£0
Gritting	1	£1,200	£1,200	0.00%	£0
External Maintenance	1	£4,000	£4,000	0.00%	£0
Electricity Supply	1	£500	£500	0.00%	£0
Health & Safety	1	£750	£750	0.00%	£0
Interest	1	£0	£0	n/a	£0
Audit Fee	1	£300	£300	0.00%	£0
Management Fees	1	£3,393	£ 3,432	1.14%	£39
Professional Fees		£0	£0	0.00%	£0
Facilities Management	1	£1,099	£ 1,111	1.09%	£12
Grand Total		£18,742	£18,793	0.27%	£51

Appendix C

TESCO STORES LIMITED

**HAMILTON DISTRICT CENTRE
HAMILTON, LEICESTER**

SERVICE COSTS AUDIT STATEMENT

YEAR ENDED 31ST DECEMBER 2021

Haines Watts

Hamilton District Centre
Hamilton, Leicester
Certificate of Service Costs for the year ended 31st December 2021

	2021	2020
Building Repair	8,700.00	160.00
Drain Maintenance	675.00	3,550.00
Foot Path Maintenance	500.00	-
Electrical Maintenance	-	330.00
Gritting	(93.59)	1,120.00
External Maintenance	3,543.84	1,725.00
Health & Safety	330.00	-
Audit Fees	250.00	250.00
Management Fees	3,432.00	3,393.00
Interest	(16.17)	-
Facilities Management	1,111.00	1,099.00
Total expenditure	<u>18,432.08</u>	<u>11,627.00</u>

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 2021. 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, Third 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.



Haines Watts
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

TESCO STORES LIMITED

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HAMILTON, LEICESTER**

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