61/77 High Street

Harborne

Birmingham

B17 9NS

Service Charge Reconciliation

YE 25th March 2025

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Introduction

This service charge expenditure report is produced by Johnson Fellows on behalf of Harborne High Street Management (2) Ltd. It is intended to provide details of the expenditure for the service charge year 26th March 2024 – 25th March 2025
The service charge is established as provided for the upkeep of the common parts of the property.

The Property

The property is located on Harborne High Street and comprises nine retail units, with first and second floor accommodation, the majority of which is residential, accessed from the rear car park adjoining St Johns Road. However, three of the units use the upper floors for ancillary commercial purposes, with access from the ground floor units.

The car park to the rear is held under separate ownership. Historically it was agreed that the Management Company will contribute towards its repair and maintenance costs. However, recharges have not been received in this service charge year.

The communal services provided for the property consist of items such as pest control and electricity for the communal lighting. There is also a small forecourt area fronting St Johns Road, which is repaired and maintained via the service charge. Althoug h the roof and balconies are the responsibility of the individual long leaseholders, by common agreement they are also repaired and maintained via the service charge. This does not include the rear extensions which remain the responsibility of each individual long leaseholder.

Service Charge Objectives

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

Voids and Concessions

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

VAT

The property is not elected for VAT, consequently the expenditure stated within this report is gross of VAT.

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

There was no reserve fund in place for this service charge year.

Service Charge Apportionment

The apportionment for each schedule is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

Schedule One	All Long Leaseholders
Schedule Two	All Long Leaseholders, except 61 High Street

There are two separate schedules as Central Midland Estates, the long leaseholder of 61 High Street, is responsible for their own building's insurance and for the repair and maintenance of their front and rear roof/canopy areas under the terms of their lease. Therefore, they do not contribute towards the building's insurance, or any repairs and maintenance associated with the communal front and rear roof/canopies.

Shared costs for items such as Management and Auditors Fees are apportioned between the schedules.

Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
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.

Assistant Property Manager:

Narinder Sira
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Email: 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, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Email: angela.lindop@johnsonfellows.co.uk

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

Service Charge Accountant:

Kiesha Gregory
Client Accounts
Johnson Fellows, Charter House, 180 Newhall Street, Birmingham, B3 1SJ
Email: kiesha.gregory@johnsonfellows.co.uk

Kiesha Gregory is the client accountant responsible for this property.

Expenditure Commentary

SCHEDULE 1 – Contributions by all units

All figures are shown gross of VAT.

- **Management Fee** **£1,790**

The fee to manage the property and administer the service charge, which is a fixed fee linked annually to the Retail Price Index (RPI). The total fee of £8,946 (Including VAT) has been split between both schedules, based on the total costs, with 20% applied to Schedule 1 (£1,790) and 80% applied to Schedule 2 (£7,156). This cost was on budget.

- **Audit Fee** **£90**

This is the actual expenditure related to the independent audit of the service charge accounts on an annual basis. The accountants' fee for certifying the service charge year end has been split between both schedules, with 20% applied to Schedule 1(£90.00) and 80% applied to Schedule 2 (£360). This cost was in line with the budget.

- **Pest Control** **£453.60**

The actual cost of the quarterly annual pest control contract for the external rear areas. This cost was slightly over budget by £3.60.

- **Car Park Maintenance** **£0**

This cost heading provides for a contribution to the maintenance of the rear service yard and car park that may be levied the owner. There was no expenditure under this cost heading during this service charge year.

- **Building Repair** **£0**

This cost heading provides a contingency for any external repairs that all long leaseholders maintain a responsibility for. There was no cost incurred in this service charge year.

Total

Schedule 1 2,333.60

SCHEDULE 2 – Contributions by all units except 61 High Street

All figures are shown gross of VAT.

- **Management Fee** **£7,156**

The fee to manage the property and administer the service charge, which is a fixed fee linked annually to the Retail Price Index (RPI). The total fee of £8,946 (Including VAT) has been split between both schedules with 20% applied to Schedule 1 (£1,790) and 80% applied to Schedule 2 (£7,156). This cost was on budget.

- **Audit Fee** **£360**

This is the actual expenditure related to the independent audit of the service charge accounts. The accountants' fee for certifying the service charge year end has been split between both schedules, with 20% applied to Schedule 1(£90.00) and 80% applied to Schedule 2 (£360). This cost was on budget

- **Health & Safety** **£630**

This cost heading provides for any expenditure required for the health and safety of the managed areas. Expenditure in this service charge year was the completion of a Health and Safety Risk assessment carried out by Veritas Consulting Safety Services. This cost was over budget by £130.00.

- **Electricity Supply** **£203.62**

This actual cost of the electricity consumption during the service charge year. This cost was under budget for this service charge year.

- **Building Repair** **£0**

The cost heading provides for any external repairs that are required to the communal areas. There was no expenditure required in this service charge year.

- **Roof Maintenance** **£0**

This cost heading provides a contingency sum for any unexpected costs required to the roof. There was no expenditure required during the service charge year.

- **Electrical Repair** **£0**

This is the actual expenditure relating to electrical works required. There was no expenditure incurred in this service charge year.

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- **Insurance** **£6,902.71**

This is the actual cost of the annual building's insurance renewal. The cost was over budget by £327.71

Total

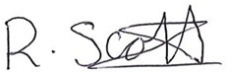
Schedule 2 £15,270.33

Schedule 1 Total: £2,333.60
Schedule 2 Total: £15,270.33

Total Budget: £17,603.93



Management Surveyor



Facilities Manager

JOHNSON FELLOWS

Appendix A

61/77 High Street Harborne Birmingham (00343)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 26/03/2024-25/03/2025

*Amounts in gbp

Unit	Tenant	Days	Schedule 1	Schedule 2
0001	**Central Midlands Estates Ltd**	365.00	41.0000	0.0000
0002	**DKB Limited**	365.00	4.0000	6.6500
0003	**DKB Limited**	365.00	4.0000	6.6500
0004	**H Rowley (Holdings) Limited**	365.00	3.0000	7.9000
0005	**H Rowley (Holdings) Limited**	365.00	3.0000	7.9000
0006	**Crevato Properties Limited**	365.00	5.0000	6.6500
0007	**Crevato Properties Limited**	365.00	5.0000	6.6500
0008	**Michelle & Co Catering Ltd**	365.00	3.0000	5.4000
0009	**Michelle & Co Catering Ltd**	365.00	3.0000	5.4000
0010	**Adrian Philip Taylor & Terence Ma**	365.00	4.0000	5.4000
0011	**Adrian Philip Taylor & Terence Ma**	365.00	4.0000	5.4000
0012	**Maliks Property Ltd**	365.00	4.0000	6.6500
0013	**Maliks Property Ltd**	365.00	4.0000	6.6500
0014	**Wyndley Homes Ltd**	365.00	2.5000	5.6700
0015	**Wyndley Homes Ltd**	365.00	2.5000	5.6700
0016	**Wyndley Homes Ltd**	365.00	8.0000	11.3600
	Total		**100.0000**	**100.0000**

Appendix B

61/77 High Street Harborne Birmingham (00343)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 26/03/2024-25/03/2025

*Amounts in gbp

Code	Description	Actual (03/2025)	Budget (03/2025)	Variance	%
1	**Schedule 1**				
5100-0101	Management Fee	1,790.00	1,790.00	0.00	0.0000
5100-0203	S/C Audit Fees	90.00	90.00	0.00	0.0000
5200-0501	Electricity	0.00	0.00	0.00	
5300-1007	Pest control	453.60	450.00	3.60	0.8000
5400-1505	Car Park Maintenance	0.00	350.00	-350.00	-100.0000
5400-1530	Building Repair	0.00	1,000.00	-1,000.00	-100.0000
	Schedule Total	**2,333.60**	**3,680.00**	**-1,346.40**	**-36.5870**
2	**Schedule 2**				
5100-0101	Management Fee	7,156.00	7,156.00	0.00	0.0000
5100-0203	S/C Audit Fees	360.00	360.00	0.00	0.0000
5100-0402	Health & Safety	630.00	500.00	130.00	26.0000
5200-0501	Electricity	203.62	1,500.00	-1,296.38	-86.4253
5400-1530	Building Repair	0.00	1,000.00	-1,000.00	-100.0000
5400-1531	Roof Maintenance	0.00	500.00	-500.00	-100.0000
5400-1535	Electrical Repair	0.00	1,000.00	-1,000.00	-100.0000
5600-1901	Building Insurance	6,920.71	6,593.00	327.71	4.9706
	Schedule Total	**15,270.33**	**18,609.00**	**-3,338.67**	**-17.9412**
	Total	**17,603.93**	**22,289.00**	**-4,685.07**	**-21.0197**

HARBORNE HIGH STREET MANAGEMENT (2) LIMITED

61/77 HIGH STREET, HARBORNE
BIRMINGHAM

SERVICE COSTS STATEMENT

INDEPENDENT REVIEW

YEAR ENDED 25TH MARCH 2025

61/77 Harborne High Street, Harborne
Birmingham
Certificate of Service Costs for the year ended 25th March 2025

	2025	2024
Schedule 1		
Pest control	453.60	453.60
Building Repair	-	660.00
Audit fees	90.00	90.00
Management fees	1,790.00	1,702.00
	2,333.60	2,905.60
Schedule 2		
Electrical repair	-	420.00
Electricity supply	203.62	594.01
Health and Saftey	630.00	-
Insurance	6,920.71	6,902.47
Audit fees	360.00	360.00
Management fees	7,156.00	6,804.96
	15,270.33	15,081.44
Total expenditure	**17,603.93**	**17,987.04**

Independent Accountant's Review Report

To the Manager, 61/77 Harborne High Street

We have reviewed the statement of service charge expenditure for the above property for the year ended 25 March 2025. 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.

TC Group

TC Group
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF