



**290/292 Soho Road Handsworth**

**Birmingham**

**B21 9LZ**

**Service Charge Expenditure Report**

**24<sup>th</sup> June 2020 to 23<sup>rd</sup> June 2021**



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## **Introduction**

This Report has been produced by Johnson Fellows on behalf of the Landlords, Mr R Lal, Mr P Lal and Mr J L Gangotra.

The report is intended to provide a detailed breakdown of the expenditure for the service charge year ending 23<sup>rd</sup> June 2021.

## **The Property**

The subject property is located on Soho Road (B4100), approximately two miles to the north of Birmingham City Centre. The premises comprise of a two storey building with basement, ancillary store and car park/yard to the rear. Access to the rear yard is directly from Soho Road.

The building consists of three retail units to the ground floor, albeit two of these have been knocked through into a larger single unit, with office accommodation to the first floor. Access to the first floor is internally from the larger retail unit.

The common parts mainly comprise of the roof and basement boiler room.

## **Voids and Concessions**

The responsibility for the service charge in respect of void accommodation rests with the Landlord.

## **VAT**

The Landlord has not elected the property for 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. As a consequence the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

## **Service Charge Objectives**

The Service Charge Expenditure Report is aimed at providing a clearer explanation of the expenditure incurred and is to promote clarity and transparency.

Should any occupier have comments on the format or the information contained in this report which would assist in the report being improved for the benefit of all concerned, these comments would be welcome. We would also welcome constructive feedback on the communal services provided at the property.



The objective of Johnson Fellows as Managing Agents is to provide high quality management services. In so doing we aim to provide a well maintained business environment and deliver value for money for the service charge expenditure.

The service charge year end accounts and this report have been prepared having regard to the RICS Code of Practice for Service Charges in Commercial Properties 3<sup>rd</sup> Edition.



## **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](mailto:chris.monteith@johnsonfellows.co.uk)

Chris Monteith is responsible for the repair and maintenance of the property and statutory compliance.

### Management Surveyor:

George Brittain  
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW  
Direct Dial: 0121 234 0454  
Mobile: 07884 352 576  
Email: [george.brittain@johnsonfellows.co.uk](mailto:george.brittain@johnsonfellows.co.uk)

George Brittain is responsible for the overall management of the property.

### 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](mailto:rebecca.glover@johnsonfellows.co.uk)

Rebecca Glover is the client accountant responsible for this property.



**Service Charge Apportionment**

The service charge percentages have regard to the net internal area of each occupational unit, or the percentage expressed within the lease where applicable.

A service charge apportionment percentage schedule is enclosed in Appendix A.

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**Expenditure Commentary**

**SCHEDULE 1**

**All figures are shown inclusive of VAT.**

- **Building Repair** **£180.00**

This is the cost for the annual PPM works including drains, and gutter cleaning services.

- **Gas Supply** **£4,237.41**

The budget provides for the annual gas consumption for the central heating system in the building. The expenditure incurred for the year came in below budget.

- **Water Charges** **-£408.05**

This cost heading provides for the water charges incurred from Seven Trent Water for the consumption and drainage to the whole building. A credit was received from an over payment in the previous period.

- **Central Heating Maintenance** **£23,302.26**

Cost for replacement of the boiler, servicing and gas certificate.

- **Insurance** **£370.00**

The cost provides for the annual engineering insurance premium for the gas central heating boiler.

- **Audit Fee** **£270.00**

The budget provides for Haines Watts Chartered Accountants to certify the service charge year end accounts. The cost was in line with the budget.

The accountant's statement can be seen in Appendix C of this Report.

- **Facilities Management** **£762.00**

The cost to provide facilities management support for the property.

- **Management Fees** **£5,800.99**

The cost represents the management fee for the property this is linked to the retail price index.

**Total**

**Schedule 1** **£34,514.61**

.....  
Associate Partner

.....  
Facilities Manager



## Appendix A

290-292 Soho Road Handsworth (00284)

### **Service Charge Unit Percentages**

Recovery Group = sc

Tree = ysi\_bf

Reconciliation Period = 24/06/2020-23/06/2021

\*Amounts in gbp

<b>Unit</b>	<b>Tenant</b>	<b>Days</b>	<b>Schedule 1</b>
0001	<b>Punjab National Bank (International) Ltd (Original)</b>	365.00	37.0000
0002	<b>Dalil Singh Bedi (Original)</b>	365.00	53.4200
0003	<b>Vacant</b>	365.00	9.5800
	<b>Total</b>		<b>100.0000</b>



## Appendix B

290-292 Soho Road Handsworth (00284)

### **Service Charge Budget Comparison**

Recovery Group = sc

Tree = ysi\_bf

Reconciliation Period = 24/06/2020-23/06/2021

\*Amounts in gbp

<b>Code</b>	<b>Description</b>	<b>Actual (06/2021)</b>	<b>Budget (06/2021)</b>	<b>Variance</b>	<b>%</b>
<b>1</b>	<b>Schedule 1</b>				
5100-0101	Management Fee	5,800.99	5,801.00	-0.01	-0.0002
5100-0203	S/C Audit Fees	270.00	270.00	0.00	0.0000
5100-0309	Facilities Manager	762.00	762.00	0.00	0.0000
5100-0402	Health & Safety	0.00	750.00	-750.00	-100.0000
5200-0601	Gas	4,237.41	12,000.00	-7,762.59	-64.6883
5200-0801	Water and sewage charges	-408.05	1,500.00	-1,908.05	-127.2033
5400-1208	Boiler Maintenance	23,302.26	15,000.00	8,302.26	55.3484
5400-1530	Building Repair	180.00	1,500.00	-1,320.00	-88.0000
5600-1901	Building Insurance	370.00	150.00	220.00	146.6667
	<b>Schedule Total</b>	<b>34,514.61</b>	<b>37,733.00</b>	<b>-3,218.39</b>	<b>-8.5294</b>
	<b>Total</b>	<b>34,514.61</b>	<b>37,733.00</b>	<b>-3,218.39</b>	<b>-8.5294</b>



**Appendix C**

**R LAL, P LAL & J L GANGOTRA  
290/292 SOHO ROAD  
HANDSWORTH, BIRMINGHAM**

**SERVICE COSTS AUDIT STATEMENT**

**YEAR ENDED 23RD JUNE 2021**



**290/292 Soho Road  
Handsworth, Birmingham  
Certificate of Service Costs for the year ended 23rd June 2021**

	2021	2020
Building Repair	180.00	880.00
Gas Supply	4,237.41	14,036.59
Water Charges	(408.05)	1,435.98
Central Heating Maintenance	23,302.26	1,078.00
Insurance	370.00	50.05
Audit Fees	270.00	378.00
Management Fees	5,800.99	5,710.00
Facilities Management	762.00	750.00
<b>Total expenditure</b>	<b><u>34,514.61</u></b>	<b><u>24,318.62</u></b>

**No reserve fund held.**

**Independent Accountant's Review Report**

To the Manager, 290/292 Soho Road, Handsworth, Birmingham.

We have reviewed the statement of service charge expenditure for the above property for the year ended 23 June 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