
**QUAY PLACE,
EDWARD STREET, BIRMINGHAM**

Statement of Service Charge Expenditure
for year ended 31 December 2024



Websters

**INFORMATION AND CONTENTS
FOR YEAR ENDED 31 DECEMBER 2024**

Property :

Quay Place,
Edward Street, Birmingham

Landlord :

Threadneedle Pensions Limited

Managing Agent :

Workman LLP
4th Floor, Minton Place
Station Road
Swindon. SN1 1DA

Independent Accountants :

Websters
12 Melcombe Place
London
NW1 6JJ

CONTENTS

| | |
|---|-------|
| Independent Accountants' Report | 1 |
| Statement of Service Charge Expenditure | 2 - 3 |
| Notes to the Accounts | 4 - 5 |

INDEPENDENT ACCOUNTANTS' REPORT FOR YEAR ENDED 31 DECEMBER 2024



Accountants' Report for Quay Place, Edward Street, Birmingham

Accountants' Report to the Members of Workman LLP on the Statement of Service Charge Expenditure for year ended 31 December 2024.

We have reviewed the Statement of Service Charge Expenditure and notes for the above property for year ended 31 December 2023. The Statement of Service Charge Expenditure has been prepared by Workman LLP in accordance with guidance issued by the RICS in the Professional Standard, 'Service Charges in Commercial Property', First Edition, September 2018 ('The RICS Professional Standard'), except for the matters referred to in note 3.0.

The Statement of Service Charge Expenditure is prepared by Workman LLP to show how the Service Charge costs charged to occupiers are made up. As a result, the Statement of Service Charge Expenditure may not be suitable for another purpose.

Our report is made in accordance with the terms of our engagement and is intended solely for Workman LLP 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 Workman LLP 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 Workman LLP in connection with the report or this engagement.

Workman LLP's Responsibility for the Statement of Service Charge Expenditure

Workman LLP is responsible for the preparation of the Statement of Service Charge Expenditure and for such internal control as Workman LLP determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

Reporting Accountants' 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 (Revised), Engagements to Review Historical Financial Statements. 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 RICS Professional Standard. ISRE 2400 (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 accountants perform 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 evaluate the evidence obtained. The procedures do not include review of the allocation or apportionment of service charge expenditure to occupiers.

We did not perform our procedures in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Statement of Service Charge Expenditure.

Basis for Qualified Opinion

As stated in note 3.0, provisions totalling £36,850.00 have been recognised in the year in respect of works that had not been completed at the year end, in addition to provisions included in prior periods totalling £138,700.00. In our opinion, the treatment of these costs does not comply with the required treatment set out in the RICS Professional Standard as the necessary agreement with occupiers for the recognition of these costs has not been obtained prior to the distribution of this Statement of Service Charge Expenditure.

Qualified Opinion

Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 RICS Professional Standard.

In our opinion the Statement of Service Charge Expenditure amounting to £624,640.38 is an accurate reflection of the accounting records maintained by Workman LLP and information and explanations that they have provided to us.

A handwritten signature in blue ink that reads "Websters".

Date: 11 August 2025

Websters
Chartered Accountants
12 Melcombe Place
London, NW1 6JJ

**STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR YEAR ENDED 31 DECEMBER 2024**



Landlord: Threadneedle Pensions Limited
Property: Quay Place, Edward Street, Birmingham
Property Reference: M8758
Period: 1 January 2024 to 31 December 2024

| COST CLASS / CATEGORY / DESCRIPTION | SCHEDULE A | SCHEDULE B | SCHEDULE C | SCHEDULE D | SCHEDULE E | TOTAL |
|---|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | Common Areas | Edward House | Albert House | Vincent House | Nelson House | |
| | £ | £ | £ | £ | £ | |
| MANAGEMENT | | | | | | |
| Management Fees | | | | | | |
| Management fees | 24,000.00 | 11,500.00 | 6,250.00 | 5,750.00 | 5,750.00 | 53,250.00 |
| Accounting Fees | | | | | | |
| Service charge accounting fees | 2,380.00 | - | - | - | - | 2,380.00 |
| Site Management Resources | | | | | | |
| Help desk / call centre / information centre | 2,915.00 | 875.00 | 875.00 | 875.00 | 875.00 | 6,415.00 |
| Office costs (telephones / stationery) | 2,200.04 | - | - | - | - | 2,200.04 |
| Staff costs | 4,750.00 | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 | 14,750.00 |
| Professional Fees | | | | | | |
| Landlord's risk assessments, audits & reviews | 6,452.00 | 3,645.00 | 3,645.00 | 3,645.00 | 3,645.00 | 21,032.00 |
| UTILITIES | | | | | | |
| Electricity | | | | | | |
| Electricity | (43.50) | 19,840.83 | 6,663.98 | 6,662.00 | 10,926.99 | 44,050.30 |
| Gas | | | | | | |
| Gas | - | 16,511.66 | 14,599.74 | 6,738.07 | 5,937.27 | 43,786.74 |
| Water | | | | | | |
| Water & sewerage charges | 675.16 | 7,915.79 | 2,053.41 | 4,791.87 | 1,870.21 | 17,306.44 |
| Utility Consultancy | | | | | | |
| Electricity procurement & consultancy | - | 164.06 | 164.06 | 164.05 | 164.06 | 656.23 |
| Gas procurement & consultancy | - | 234.57 | 234.57 | 234.55 | 234.55 | 938.24 |
| SOFT SERVICES | | | | | | |
| Security | | | | | | |
| Security guarding | 171,650.06 | - | - | - | - | 171,650.06 |
| Security systems | 5,272.22 | - | - | - | - | 5,272.22 |
| Cleaning & Sustainability | | | | | | |
| Hygiene services / toiletries | 1,422.00 | - | 920.24 | 920.24 | 2,628.08 | 5,890.56 |
| Internal cleaning | (279.10) | 2,710.38 | 3,613.44 | 3,613.48 | 4,123.62 | 13,781.82 |
| Pest control | 1,500.00 | - | - | - | - | 1,500.00 |
| Waste management | 16,868.53 | - | - | - | - | 16,868.53 |
| Window cleaning | 495.00 | 1,800.00 | 1,800.00 | 1,800.00 | 1,800.00 | 7,695.00 |
| Landscaping & Environmental | | | | | | |
| External cleaning | 9,286.11 | - | - | - | - | 9,286.11 |
| External landscaping | 12,706.71 | - | - | - | - | 12,706.71 |
| Carried forward | 262,250.23 | 67,697.29 | 43,319.44 | 37,694.26 | 40,454.78 | 451,416.00 |

**STATEMENT OF SERVICE CHARGE EXPENDITURE
FOR YEAR ENDED 31 DECEMBER 2024**



Landlord: Threadneedle Pensions Limited
Property: Quay Place, Edward Street, Birmingham
Property Reference: M8758
Period: 1 January 2024 to 31 December 2024

| COST CLASS / CATEGORY / DESCRIPTION | SCHEDULE A | SCHEDULE B | SCHEDULE C | SCHEDULE D | SCHEDULE E | TOTAL |
|---|-------------------|-------------------|------------------|------------------|------------------|-------------------|
| | Common Areas | Edward House | Albert House | Vincent House | Nelson House | |
| | £ | £ | £ | £ | £ | |
| Brought forward | 262,250.23 | 67,697.29 | 43,319.44 | 37,694.26 | 40,454.78 | 451,416.00 |
| HARD SERVICES | | | | | | |
| Mechanical & Electrical Services (M&E) | | | | | | |
| M&E maintenance & repair | 9,582.20 | 19,185.56 | 9,255.47 | 5,284.73 | 9,893.25 | 53,201.21 |
| Lift & Escalators | | | | | | |
| Lift & escalator inspections & consultancy | - | - | - | 381.00 | 762.00 | 1,143.00 |
| Lift maintenance contract & repair | - | 11,888.43 | 3,962.00 | 3,581.00 | 1,905.00 | 21,336.43 |
| Fabric Repairs & Maintenance | | | | | | |
| External repairs & maintenance | 8,108.83 | 5,946.47 | 4,335.96 | 1,420.00 | 1,140.00 | 20,951.26 |
| Fabric repairs & maintenance | 1,331.50 | 17,577.50 | 7,886.50 | 5,256.00 | 2,132.50 | 34,184.00 |
| EXCEPTIONAL EXPENDITURE | | | | | | |
| Major Works | | | | | | |
| Major repairs | 2,650.00 | - | - | - | - | 2,650.00 |
| Project works | - | 727.12 | 727.12 | 727.12 | 727.12 | 2,908.48 |
| Provision re Proposed Project works | - | 19,250.00 | 9,250.00 | 5,750.00 | 2,600.00 | 36,850.00 |
| TOTAL | 283,922.76 | 142,272.37 | 78,736.49 | 60,094.11 | 59,614.65 | 624,640.38 |

The Independent Accountants' Report and Notes should be read in conjunction with this Statement.

1.0 Accounting Policies

1.1 Basis of Preparation

The accounts have been prepared under the historical cost convention and on an accruals basis, except for the matter referred to in note 3.0.

1.2 Insurance Claims

Income in respect of insurance claims is recognised to the extent that, prior to the signing of the relevant accounts, agreement has been received from the underwriter that the claim is approved. The associated costs of the claim are charged to the service charge in the period in which the costs are incurred.

1.3 Landlord Forward Funding

Where the costs of any project are borne upfront by the landlord, the cost is recovered through the service charge in accordance with the terms of repayment agreed between the landlord and occupiers.

2.0 VAT

The landlord has elected to waive the exemption from VAT for this property. Therefore all service charge expenditure is shown exclusive of any applicable VAT.

3.0 Provisions for future works

Provisions totalling £138,700 were brought forward at 1 January 2024 in respect of proposed works that had not commenced prior to 31 December 2024. A further £36,850 of provisions have been included in this statement, as detailed below :

| | At 01.01.2024 £ | Provision in year £ | At 31.12.2024 £ |
|--------------------|-----------------------|---------------------------|-----------------------|
| Project | | | |
| Window repairs | 74,700.00 | 36,850.00 | 111,550.00 |
| Boiler replacement | 64,000.00 | - | 64,000.00 |
| Total | 138,700.00 | 36,850.00 | 175,550.00 |

4.0 Bank Account

The service charge funds in respect of this property are held by the managing agent in a bank account that is discrete to the landlord.

The landlord is presently investigating the fairest way to apportion interest earned on this landlord client account between the various properties whose service charge funds it contains. Any credit due to this property in respect of year ended 31 December 2024 will be credited in the 2025 service charge year once an appropriate basis for the calculation has been determined.

5.0 Total Cost of Management

5.1 Management Fees

Workman LLP were appointed to manage the common areas of the property. The management fee charged, solely for the management of the service charge, for year ended 31 December 2024 was agreed on a fixed fee basis.

5.2 On-Site Management

The total costs of on-site management staff and provision of their accommodation are included and analysed under Site Management Resources in the Statement of Service Charge Expenditure.

5.3 Summary of all fees charged by the landlord and management

| Cost Category | Description | £ |
|------------------------------|--------------------------|------------------|
| Management Fees | Management fees | 53,250.00 |
| Site Management Resources | Help desk fees | 6,415.00 |
| Site Management Resources | H&S inspection fees | 14,750.00 |
| Professional Fees | Procurement fee | 3,510.00 |
| Professional Fees | H&S monitoring fee | 2,625.00 |
| Professional Fees | ESG services | 500.00 |
| Fabric Repairs & Maintenance | Inspection and reporting | 2,250.00 |
| Total | | 83,300.00 |

6.0 Accruals

Accruals are expenses for goods and services actually incurred in year ended 31 December 2024 for which no invoice has been received within the year. Accruals have been included in the Statement of Service Charge Expenditure as follows:

| Cost Category | £ |
|--|-------------------------|
| Accounting Fees | 2,380.00 |
| Professional Fees | 3,338.00 |
| Electricity | 4,612.81 |
| Gas | 5,699.10 |
| Water | 5,376.05 |
| Cleaning & Sustainability | 8,044.81 |
| Landscaping & Environmental | 1,223.80 |
| Mechanical & Electrical Services (M&E) | 530.00 |
| Lift & Escalators | 1,359.27 |
| Fabric Repairs & Maintenance | 15,512.00 |
| Total | <u>48,075.84</u> |

7.0 Prepayments

Prepayments relate to the element of expenses for goods and services which have been charged by the supplier in year ended 31 December 2024 but which relate, either wholly or partly, to future periods. Prepayments, which have been omitted from this year's Statement of Service Charge Expenditure and carried forward to be charged in the next year, are as follows:

| Cost Category | £ |
|--|-------------------------|
| Professional Fees | 1,500.00 |
| Mechanical & Electrical Services (M&E) | 8,735.71 |
| Lift & Escalators | 10,330.00 |
| Major Works | 5,895.00 |
| Total | <u>26,460.71</u> |

8.0 Apportionment of Expenditure

8.1 Empty units

Costs are apportioned on a daily basis and for the avoidance of doubt it is confirmed that the landlord bears an appropriate proportion of the service charge expenditure in respect of voids and vacant units.

8.2 Concessions granted to occupiers

If any occupier has any form of concession whereby their contribution towards the service charge is either capped or is lower than the apportionment due for their unit, then the landlord funds the difference.