



the Courtyard

# Statement of service charge expenditure 2023







# Contents

<b>01</b>	<b>INTRODUCTION</b>	<b>1</b>
<b>02</b>	<b>THE MANAGEMENT TEAM</b>	<b>1</b>
<b>03</b>	<b>SERVICE CHARGE EXPENDITURE REPORT</b>	<b>1</b>
<b>04</b>	<b>SERVICE CHARGE CERTIFICATE</b>	<b>2</b>
<b>05</b>	<b>NOTES TO THE EXPENDITURE REPORT</b>	<b>2</b>
	05.1 Accounting policies	2
	05.2 VAT	2
	05.3 Sinking fund	3
	05.4 Banking	3
	05.5 Marketing and promotions	3
	05.6 Total cost of management	3
	05.7 Accruals	3
	05.8 Empty units and concessions granted to tenants	3
<b>06</b>	<b>OPERATIONAL REVIEW</b>	<b>4</b>
	0.6.1 Contracts	4
	0.6.2 Service charge allocation and apportionment	4
	0.6.3 Notes on expenditure	4
<b>07</b>	<b>APPENDICES</b>	<b>5</b>
	Appendix A: SERVICE CHARGE DETAILED EXPENDITURE REPORT	5
	Appendix B: SERVICE CHARGE VARIANCE REPORT	6
	Appendix C: SERVICE CHARGE APPORTIONMENT SCHEDULE %	7
	Appendix D: SERVICE CHARGE COST CLASSIFICATIONS	8

# Statement of service charge expenditure

Reedspace

The Courtyard, Eastern road, Bracknell, Berkshire RG12 2XB

01/01/2023 to 31/12/2023

**Total service charge expenditure £80,940**

## 01 INTRODUCTION

This report has been produced by Sam Reed on behalf of Reedspace, landlords of the Courtyard and relates to the reconciled service charge for the period 01/01/2023 to 31/12/2023. This report has been produced having regard to the best practice guidelines for service charges in commercial property that have been published through the collaboration of a number of professional bodies representing a diversity of interests throughout the property industry.

The report is intended to provide further explanation as to actual service charge costs incurred and any material variances against the property budget issued to tenants on 29/01/2023. A summary and detailed expenditure report is included in Appendix A with a variance report showing percentage charge year-on-year at Appendix B.

## 02 THE MANAGEMENT TEAM

Director	Bill Reed	02073874521	bill@reedspace.com
Chartered Surveyor	Sam Reed	07552778100	sam@reedspace.com
Certified Accountant	Sarah Fleming	07903408366	accounts@reedspace.com

## 03 SERVICE CHARGE EXPENDITURE REPORT

Service charge detailed expenditure report is in Appendix A on page five.

## 04 SERVICE CHARGE CERTIFICATE

**Certification period: 01/01/2023 to 31/12/2023**

Landlord: Reedspace Ltd

Building: The Courtyard, Eastern Road, Bracknell, Berkshire RG12 2XB

I hereby certify that, according to the information available to me, the attached statement of service charge expenditure and accompanying information on pages one to five records the actual cost to the landlord of providing the services to the property for the period 01/01/2023 to 31/12/2023, in accordance with the current edition of the RICS Professional Statement, service charges in commercial property.

Signature:



**William J Reed** MA Dip Arch hons RIBA

Position: Director

For and on behalf of Reedspace Ltd

## 05 NOTES TO THE EXPENDITURE REPORT

### 05.1 Accounting policies

#### 05.1.1 Accruals basis

The accounts are prepared under an accruals basis, which is best practice for service charge statements.

#### 05.1.3 Landlord forward funding

The landlord bears an appropriate proportion of the service charge expenditure in respect of voids and vacant premises.

### 05.2 VAT

With effect from 20/10/2000 the landlord elected to waive the exemption from VAT. Therefore, all service charge expenditure is shown exclusive of VAT. VAT will be charged at the appropriate rate on all service charge payments demanded/ invoiced by the landlord.

### 05.3 Sinking fund

Balance brought forward as at [01/01/2023]	£92,666
Contributions during the year excluding interest	£17,500
Interest credited	£2,983
Expenditure during the year excluding tax	£2,475
Tax paid	£0
Balance carried forward as at [31/12/2023]	£110,674

### 05.4 Banking

Interest earned is credited to the service charge account.

### 05.5 Marketing and promotions

Gross marketing expenditure	£0
Contribution from the owner	£0
Net marketing/promotion expenditure	£0

### 05.6 Total cost of management

#### 05.6.1 Management fees

The manager is William (Bill) Reed who is also the architect and developer of the Courtyard. Bill Reed was appointed as the manager by the the two directors of Reedspace Ltd, Bill Reed and John Reed. Bill Reed also develops and manages small office buildings in London, separate to Reedspace Ltd.

The manager is paid on an hourly rate subject to an annual review. The fee relates only to work carried out in managing the service charge.

#### 05.6.2 On-site management

Reedspace has no employed on-site staff.

### 05.7 Accruals

The accounts are prepared under an accruals basis, which is best practice for service charge statements.

### 05.8 Empty units and concessions granted to tenants

The landlord bears an appropriate proportion of the service charge expenditure in respect of voids and vacant premises.

## 0.6 OPERATIONAL REVIEW

### 0.6.1 Contracts

We benchmark the service standards and pricing of the contracts to confirm value for money, and are open to try occupier recommended service suppliers. The only annual contracts at the Courtyard are the utility services, all other contracts are flexible and are paid monthly.

### 0.6.2 Service charge allocation and apportionment

The service charge apportionment schedule is shown in Appendix C. Allocation of service charges was based on floor areas adjusted by external envelope, to the nearest 0.5%.

Reedspace pays the service charge for the unlet premises.

### 0.6.3 Notes on expenditure

A full copy of the expenditure report is enclosed in Appendix A in detailed form. Appendix D includes service charge cost classifications commentary.

## 0.7 APPENDICES

### APPENDIX A: SERVICE CHARGE DETAILED EXPENDITURE REPORT

Period: 01/01/2023 to 31/12/2023

The Courtyard, Eastern Road, Bracknell, Berkshire RG12 2XB

Cost category	Expense total
<b>MANAGEMENT</b>	
Management fees	£34,040
Subtotal	£34,040
<b>UTILITIES</b>	
Electricity	£1,017
Water	£272
Subtotal	£1,289
<b>SOFT SERVICES</b>	
External landscaping	£7,972
Waste Management	£4,217
Window cleaning	£900
Subtotal	£13,089
<b>HARD SERVICES</b>	
Repairs and maintenance	£7,727
Subtotal	£7,727
<b>INSURANCE</b>	
All risks insurance cover	£3,765
Terrorism insurance	£1,030
Subtotal	£4,795
<b>EXCEPTIONAL EXPENDITURE</b>	
Sinking fund	£20,000
Subtotal	£20,000
Grand total	£80,940

## APPENDIX B: SERVICE CHARGE VARIANCE REPORT

Period: 01/01/2023 to 31/12/2023

The Courtyard, Eastern Road, Bracknell, Berkshire RG12 2XB

Cost category	Previous year actual	Current year budget	Current year actual	Actual v budget	Current v previous actual
<b>MANAGEMENT</b>					
Management fees	£34,960	£35,000	£34,040	-£960	-£920
Subtotal	£34,960	£35,000	£34,040	-£960	-£920
<b>UTILITIES</b>					
Electricity	£1,050	£1,200	£1,017	-£183	-£33
Water	£215	£300	£272	-£28	£57
Security	£0	£0	£0	£0	£0
Subtotal	£1,265	£1,500	£1,289	-£211	£24
<b>SOFT SERVICES</b>					
External landscaping	£7,644	£9,000	£7,972	-£1,028	£328
Waste Management	£3,400	£3,500	£4,217	£717	£817
Window cleaning	£1,200	£1,500	£900	-£600	-£300
Subtotal	£12,244	£14,000	£13,089	-£911	£845
<b>HARD SERVICES</b>					
Repairs and maintenance	£2,779	£4,000	£7,727	£3,727	£4,948
Subtotal	£2,779	£4,000	£7,727	£3,727	£4,948
<b>INSURANCE</b>					
All risks insurance cover	£3,817	£3,764	£3,765	£1	-£52
Terrorism insurance	£1,030	£1,030	£1,030	£0	£0
Subtotal	£4,847	£4,961	£4,795	-£166	-£52
<b>EXCEPTIONAL EXPENDITURE</b>					
Sinking fund	£17,500	£18,000	£20,000	£2,000	£2,500
Subtotal	£17,500	£18,000	£20,000	£2,000	£2,500
Grand total	£73,615	£77,461	£80,940	£3,479	£7,325



## APPENDIX C: SERVICE CHARGE APPORTIONMENT SCHEDULE %

Period: 01/01/2023 to 31/12/2023

The Courtyard, Eastern Road, Bracknell, Berkshire RG12 2XB

Unit	Occupier	Net Area per sq ft	Apportionment %
1	Reedspace	3,239	12.0%
2	Fairstone	1,695	6.0%
3	All About Games Consulting	2,601	10.0%
4	Santé	2,604	10.0%
5	DMK-UK	1,670	6.0%
6	Open CFD	1,678	6.0%
7	Huumun	1,674	6.0%
8	Faronics	1,640	6.5%
9	Responsiv Solutions	2,500	10.0%
10	Plastor	1,651	6.5%
11	Albert Roger	2,959	11.0%
12	Venture Life	2,637	10.0%
<b>Grand total</b>		<b>26,548</b>	<b>100%</b>

## APPENDIX D: SERVICE CHARGE COST CLASSIFICATIONS

Cost category	Commentary
<b>MANAGEMENT</b>	
Management fees	Reedspace fees for managing and administering the services that are permitted to be recovered under the terms of the lease, excluding rent collection, asset management, etc. Includes fees for preparation of year-end service charge statement and reconciliation.
<b>UTILITIES</b>	
Electricity	Electricity supply to street lamps and walkways, excluding the direct consumption of occupier(s).
Water	Water supply for irrigation of plants and window cleaning excluding occupier direct consumption.
<b>SOFT SERVICES</b>	
Cleaning	Cleaning of external common areas.
External landscaping	Provision and maintenance of external landscaped areas and special features.
Waste Management	Refuse collection and waste-management services provided for building occupiers.
Window cleaning	Cost of quarterly external windows cleaning.
Pest Control	Pest-control services as necessary.
Snow clearance/road gritting	Costs incurred in clearing snow and supplying snow clearing equipment and gritting salt.
<b>HARD SERVICES</b>	
Repairs and maintenance	Includes repair and maintenance of external building fabric. Cost of non scheduled repairs.
<b>INSURANCE</b>	
All risks insurance cover	Landlord's all risk insurance costs.
Terrorism insurance	Landlord's terrorism insurance cover.
<b>EXCEPTIONAL EXPENDITURE</b>	
Sinking fund	Sinking fund for specific periodic works to even out fluctuations in annual service charge costs.