

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF NGP MANAGEMENT COMPANY RESIDENTIAL (CELL C) LIMITED IN RESPECT OF THE SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNT FOR NEWCASTLE GREAT PARK (CELL C) FOR THE YEAR ENDED 31 DECEMBER 2017.

In accordance with our engagement letter dated 5th January 2016, we have performed the procedures agreed with you and enumerated below with respect to the service charge income and expenditure account for Newcastle Great Park (Cell C) for the year ended 31 December 2017.

This report is made to the management company for issue with the Statement of Income and Expenditure in accordance with the terms of our engagement. Our work has been undertaken to enable us to make this report to the management company and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management company for our work or for this report.

Basis of report

Our work was carried out having regard to TECH 03/11 [Residential Service Charge Accounts] published jointly by ICAEW, ACCA, ARMA, ICAS and RICS. In summary, the procedures we carried out with respect to the service charge accounts were:

1. to check whether the figures contained in the statement were extracted correctly from the accounting records maintained by the management company;
2. to check, based on a sample, whether entries in the accounting records were supported by documentation or other evidence that we inspected;
3. to test the arithmetical accuracy of the statement;
4. to review the expenditure included in the statement to confirm that it appears to be in accordance with the provisions of the TP1.

These procedures did not constitute an audit in accordance with International Standards on Auditing (UK and Ireland) and were not designed to provide any assurance regarding whether the amounts charged are a reasonable amount for the services, or whether those services were provided effectively.




Report of Factual Findings

No exceptions were noted from our performance of the procedures set out in items 1 to 4 above.

UNW LLP
Chartered Accountants
Citygate
St James Boulevard
NEWCASTLE UPON TYNE
NE1 4JE

21 December 2018

UNW LLP, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE

 +44 (0)191 243 6000  enquiries@unw.co.uk  www.unw.co.uk

UNW LLP is a Limited Liability Partnership which is registered in England & Wales with the number OC301800 and is regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. Our registered office is Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE. A list of members is available for inspection at this address.



NGP Management Company (Cell C) Limited
Service Charge - Income and Expenditure Report

Year ended 31 December 2017

<u>INCOME</u>	2018 £	2017 £
Service charge receivable	39,116	28,782
Rent charge receivable	-	2,640
TOTAL INCOME	<u>39,116</u>	<u>31,422</u>
 <u>EXPENDITURE</u>		
Developer recharge costs		
Management fee	479	274
Site management resources - Staff costs	3,602	6,155
Risk assessments, audits and reviews	-	16
Public and property owners liability insurance	551	795
Developer forward funding costs	328	-
	<u>4,960</u>	<u>7,240</u>
 Landscaping and maintenance		
Waste management	-	198
Strategic open space	10,622	8,647
Local open space	222	201
Play areas	67	44
SUDS system	337	260
Litter picking	578	155
Community facilities	8,276	6,000
	<u>20,102</u>	<u>15,505</u>
 Non adopted roads, lighting and sewage		
Repairs, maintenance and utilities	3,177	2,624
	<u>3,177</u>	<u>2,624</u>
 Professional fees		
Audit and accountancy fees	2,921	4,042
Legal and professional fees	1,358	2,747
	<u>4,279</u>	<u>6,789</u>
 Transfer to reserve fund	 6,598	 -
 TOTAL EXPENDITURE	 <u>39,116</u>	 <u>32,158</u>
 SERVICE CHARGE BALANCE	 <u>-</u>	 <u>(736)</u>