

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 2018.

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 2018.

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.

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21 September 2019

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

Year ended 31 December 2018

<u>INCOME</u>	2019		2018
	£		£
Service charge receivable	44,482		39,116
Rent charge receivable	3,960		-
TOTAL INCOME	<u>48,442</u>		<u>39,116</u>
<u>EXPENDITURE</u>			
Developer recharge costs			
Management fee	1,444		479
Site management resources - Staff costs	9,969		3,602
Risk assessments, audits and reviews	23		0
Public and property owners liability insurance	599		551
Developer forward funding costs	630		328
	<u>12,665</u>		<u>4,960</u>
Landscaping and maintenance			
Waste management	-		-
Strategic open space	11,370		10,622
Local open space	1,600		222
Play areas	64		67
SUDS system	373		337
Litter picking	973		578
Community facilities	10,192		8,276
	<u>24,571</u>		<u>20,102</u>
Non adopted roads, lighting and sewage			
Repairs, maintenance and utilities	5,155		3,177
	<u>5,155</u>		<u>3,177</u>
Professional fees			
Audit and accountancy fees	4,176		2,921
Legal and professional fees	1,875		1,358
	<u>6,051</u>		<u>4,279</u>
Transfer to reserve fund	-		6,598
TOTAL EXPENDITURE	<u>48,442</u>		<u>39,116</u>
SERVICE CHARGE BALANCE	<u><u>-</u></u>		<u><u>-</u></u>