

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF NGP MANAGEMENT COMPANY (CELL F) LIMITED IN RESPECT OF THE SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNT FOR NEWCASTLE GREAT PARK (CELL F) 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 F) 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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20 September 2019

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

Year ended 31 December 2018

<u>INCOME</u>	2019	2018
	£	£
Service charge receivable	73,227	79,547
Rent charge receivable	6,970	6,970
TOTAL INCOME	<u>80,197</u>	<u>86,517</u>
 <u>EXPENDITURE</u>		
Developer recharge costs		
Management fee	1,997	906
Site management resources - Staff costs	16,871	6,809
Risk assessments, audits and reviews	39	0
Public and property owners liability insurance	1,013	1,042
Developer forward funding costs	1,066	620
	<u>20,986</u>	<u>9,377</u>
 Landscaping and maintenance		
Waste management	-	-
Strategic open space	19,242	20,082
Local open space	4,356	4,960
Play areas	108	126
SUDS system	631	636
Litter picking	1,646	1,093
Community facilities	17,248	15,646
	<u>43,231</u>	<u>42,543</u>
 Non adopted roads, lighting and sewage		
Repairs, maintenance and utilities	8,723	6,006
	<u>8,723</u>	<u>6,006</u>
 Professional fees		
Audit and accountancy fees	5,775	6,581
Legal and professional fees	1,481	2,567
	<u>7,256</u>	<u>9,148</u>
 Transfer to reserve fund	 -	 12,475
 TOTAL EXPENDITURE	 <u>80,197</u>	 <u>79,549</u>
 SERVICE CHARGE BALANCE	 <u><u>-</u></u>	 <u><u>6,968</u></u>