

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF NGP MANAGEMENT COMPANY RESIDENTIAL (CELL G) LIMITED IN RESPECT OF THE SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNT FOR NEWCASTLE GREAT PARK (CELL G) 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 G) 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 Residential (Cell G) Limited
Service Charge - Income and Expenditure Report

Year ended 31 December 2018

<u>INCOME</u>	2019	2018
	£	£
Service charge receivable	42,728	45,652
Rent charge receivable	3,310	3,310
TOTAL INCOME	<u>46,038</u>	<u>48,962</u>
<u>EXPENDITURE</u>		
Developer recharge costs		
Management fee	953	433
Site management resources - Staff costs	8,052	3,256
Risk assessments, audits and reviews	19	0
Public and property owners liability insurance	484	498
Developer forward funding costs	509	296
	<u>10,016</u>	<u>4,483</u>
Landscaping and maintenance		
Waste management	-	
Strategic open space	9,183	9,602
Local open space	5,313	5,671
Play areas	570	510
SUDS system	301	304
Litter picking	2,228	1,426
Community facilities	8,232	7,481
	<u>25,827</u>	<u>24,994</u>
Non adopted roads, lighting and sewage		
Repairs, maintenance and utilities	4,547	3,064
	<u>4,547</u>	<u>3,064</u>
Professional fees		
Audit and accountancy fees	4,690	5,919
Legal and professional fees	957	1,228
	<u>5,647</u>	<u>7,147</u>
Transfer to reserve fund	0	5,965
 TOTAL EXPENDITURE	 <u>46,038</u>	 <u>45,653</u>
 SERVICE CHARGE BALANCE	 <u><u>-</u></u>	 <u><u>3,309</u></u>