

**ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF NGP MANAGEMENT COMPANY (COMMERCIAL) LIMITED IN RESPECT OF THE SERVICE CHARGE INCOME AND EXPENDITURE ACCOUNT FOR NEWCASTLE GREAT PARK (COMMERCIAL) FOR THE YEAR ENDED 31 DECEMBER 2018.**

In accordance with our engagement letter dated 5<sup>th</sup> 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 (Commercial) 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.

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

20 September 2019

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 (Commercial) Limited**  
**Service Charge - Income and Expenditure Report**

Year ended 31 December 2018

<u>INCOME</u>	2019 £	2018 £
Service charge receivable	106,427	100,612
<b>TOTAL INCOME</b>	<u><b>106,427</b></u>	<u><b>100,612</b></u>
 <u>EXPENDITURE</u>		
<b>Developer recharge costs</b>		
Management fee	2,870	1,266
Site management resources - Staff costs	24,258	9,518
Risk assessments, audits and reviews	56	0
Public and property owners liability insurance	1,457	1,457
Developer forward funding costs	<u>1,534</u>	<u>867</u>
	30,175	13,108
 <b>Landscaping and maintenance</b>		
Waste management	-	-
Strategic open space	27,666	28,072
Local open space	-	588
Play areas	155	176
SUDS system	908	889
Litter picking	2,367	1,527
Community facilities	<u>24,800</u>	<u>21,870</u>
	55,896	53,122
 <b>Non adopted roads, lighting and sewage</b>		
Repairs, maintenance and utilities	<u>12,543</u>	<u>8,395</u>
	12,543	8,395
 <b>Professional fees</b>		
Audit and accountancy fees	5,684	4,960
Legal and professional fees	<u>2,130</u>	<u>3,589</u>
	7,813	8,549
 <b>Transfer to reserve fund</b>	 0	 17,438
 <b>TOTAL EXPENDITURE</b>	 <u><b>106,427</b></u>	 <u><b>100,612</b></u>
 <b>SERVICE CHARGE BALANCE</b>	 <u><u>-</u></u>	 <u><u>-</u></u>