

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 2016.

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 2016.

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

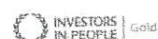
UNW LLP
Chartered Accountants
Citygate
St James Boulevard
NEWCASTLE UPON TYNE
NE1 4JE

25 January 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

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

1 Jan 2016 - 31 Dec 2016

INCOME

Service charge receivable	71,466
Rent charge receivable	6,490
TOTAL INCOME	<u>77,956</u>

EXPENDITURE

Developer Recharge Costs

Management fee	639
Site Management Resources - Staff costs	14,363
Risk Assessments, Audits and Reviews	38
Public and Property Owners Liability Insurance	1,855
Developer Forward Funding Costs	<u>0</u>
	16,894

Landscaping and Maintenance

Waste Management	462
Strategic Open Space	20,177
Local Open Space	5,353
Play Areas	103
SUDS System	607
Litter Picking	1,586
Community Facilities	<u>13,998</u>
	42,286

Non Adopted Roads, Lighting and Sewage

Repairs, Maintenance and Utilities	<u>6,434</u>
	6,434

Professional Fees

Audit and Accountancy Fees	8,848
Legal and Professional Fees	<u>3,494</u>
	12,342

TOTAL EXPENDITURE **77,956**

SERVICE CHARGE BALANCE **0**