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## THE MANAGEMENT CHARGE

for the Accounting Period from 1 April 2017 to 31 March 2018

## THE MANAGERS' CERTIFICATE

Registered Charity No.312751

1. This Certificate is prepared in accordance with the requirements of the Scheme of Management for The Dulwich Estate approved in January 1974 by Mr Justice Walton in the High Court of Justice, and subsequently amended.
2. This Certificate is further prepared in accordance with clause 10A of the Scheme, approved by the Leasehold Valuation Tribunal in October 1997.
3. The Managers have determined that the relevant Accounting Period, as confirmed by the Surveyors, is the period 1 April 2017 to 31 March 2018.
4. The number of hereditaments in each of the categories specified in the Scheme was as follows on 31 March 2018:-

The Enfranchised Properties	4,045
The Discharged Properties	1
The Dulwich Estate's properties	1,929

5. The Basis of Apportionment has been determined by Gerald Eve LLP, the Surveyors appointed in accordance with the Scheme. An extract from their determination - Schedule GE "1" - is attached.
6. The total expenditure for the Accounting Period was as follows:-

Amenity Expenditure	£187,410
Basic Expenditure	£226,714

Further details are available on our website: [www.thedulwichestate.org.uk](http://www.thedulwichestate.org.uk) or on request.


7. The Management Charge for hereditaments in each valuation band (being the relevant Council Tax band or, in the case of commercial and other properties, the equivalent as determined by the Surveyors) is as follows:-

Domestic Properties	Non-Domestic Properties	Year 2017/2018			Year 2018/2019
		Actual £	Estimated on a/c £	Balancing Credit £	Estimated £
Valuation Band	Rateable Value 2017 Rating List				
A	Up to £7,500	42.43	44.91	(2.48)	48.14
B	£7,501 - £10,300	49.50	52.39	(2.89)	56.16
C	£10,301 - £13,050	56.57	59.87	(3.30)	64.18
D	£13,051 - £17,800	63.65	67.36	(3.71)	72.20
E	£17,801 - £23,250	77.79	82.33	(4.54)	88.25
F	£23,251 - £31,500	91.93	97.30	(5.37)	104.29
G	£31,501 - £62,850	106.08	112.26	(6.18)	120.34
H	£62,851 +	127.29	134.72	(7.43)	144.41

.../...

**THE ESTIMATED MANAGEMENT CHARGE**  
**for the Accounting Period 1 April 2018 to 31 March 2019**

In accordance with clause 10(A) (8), of the Scheme of Management, the Managers have determined that an Estimated Management Charge is also payable, based on the Budgeted Management Charge for the year 2018/2019, as approved by the Advisory Committee, on assumed Total Expenditure of £468,850.

  
Simone Crofton  
Chief Executive

24 August 2018

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT TO**  
**THE INCORPORATED TRUSTEES OF THE DULWICH ESTATE**  
**IN CONNECTION WITH THE MANAGERS' CERTIFICATE**

This report is produced in accordance with the terms of our engagement letter dated 16 November 2016 for the purpose of reporting to The Incorporated Trustees of The Dulwich Estate as the Managers of the Scheme of Management ("the Managers") in connection with the Managers' Certificate ("the Certificate") prepared by the Managers in accordance with clause 10A of the Scheme of Management, approved by the Leasehold Valuation Tribunal in October 1997 ("clause 10A of the Scheme").

This report is made solely to the Managers, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Managers those matters we are required to state to it in an Independent Reporting Accountant's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Managers, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Managers and reporting accountant**

As the Managers, you are responsible for the preparation of the Certificate in accordance with clause 10A of the Scheme and for ensuring that only eligible items are included in the Certificate. It is the Managers' responsibility to extract relevant financial information from The Dulwich Estate's accounting records, to make the calculations specified in clause 10A of the Scheme, and to provide relevant financial information to those parties that require it.

**Our approach**

We conducted our work in accordance with the terms of our engagement letter. For the purpose of the engagement we have been provided by the Managers with the Certificate showing the calculations prepared in accordance with the clause 10A of the Scheme.

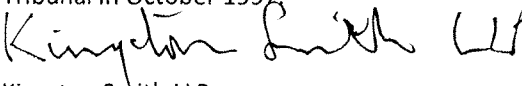
The objective of our engagement was to perform such procedures on a sample basis as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a positive conclusion on the Certificate.

**Inherent limitations**

Our audit work on the financial statements of The Dulwich Estate is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as The Dulwich Estate's external auditor. Our report on the financial statements is made solely to the Charity's Trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Conclusion**

In our opinion, the calculation and apportionment of the Management Charge, as set out in the Managers' Certificate, has been made in accordance with clause 10A of the Scheme of Management, approved by the Leasehold Valuation Tribunal in October 1997.

  
Kingston Smith LLP  
London, United Kingdom

24 August 2018

## Schedule GE 1

### THE DULWICH ESTATE

#### Determination by Gerald Eve LLP of the Basis of Apportionment of the Scheme of Management Charge for Accounting Period 1 April 2017 to 31 March 2018

- 1 The Relevant Hereditaments** - Ascertain the number of Hereditaments in each of the categories of Enfranchised Properties, Discharged Properties and the Estate Governors' Properties on the Estate in accordance with Clause 10 A of the Scheme of Management at 1 April 2017.
- 2 Valuation and Rating List Entries/Valuation Bands** - For each Hereditament ascertain, in the case of domestic properties entered into the Valuation List, the Valuation Band in which each property is placed and, in the case of non-domestic properties entered into the 2017 Rating List, their rateable value as at 1 April 2017. For the avoidance of doubt, the relevant entry for each Hereditament is that appearing in the Valuation or Rating List at the time of inspection, notwithstanding any appeal the outcome of which might subsequently alter that entry.
- 3 Commercial Properties** - Place the non-domestic (commercial) properties in the Valuation Bands in accordance with following:

Rateable Value 2017 Rating List	Prescribed Capital Value as at 1 April 1991	Valuation Band
Up to £7,500	Up to £40,000	Band A
£7,501 - £10,300	£40,001 - £ 52,000	Band B
£10,301 - £13,050	£52,001 - £68,000	Band C
13,051 - £17,800	£68,001 - £88,000	Band D
£17,801 - £23,250	£88,001 - £120,000	Band E
£23,251 - £31,500	£120,001 - £160,000	Band F
£31,501 - £62,850	£160,001 - £320,000	Band G
£362,851+	£320,001+	Band H

- 4 Management Charge** - Calculate the Management Charge in accordance with Clause 10 A of the Scheme of Management duly apportioned between the Amenity Expenditure and the Basic Expenditure for the year 2017/2018.

5 **Apportionment Calculation** – With the exception of certain properties for which a specific proportion has been determined, apportion the Amenity Expenditure and the Basic Expenditure between the relevant categories in the following proportions for the year, according to the Valuation Band for each hereditament in the relevant category:

<u>Valuation Band</u>	<u>Proportion</u>
Band A	6/9 ths
Band B	7/9 ths
Band C	8/9 ths
Band D	9/9 ths
Band E	11/9 ths
Band F	13/9 ths
Band G	15/9 ths
Band H	18/9 ths

The calculations are made by calculating the number of 9ths in the relevant categories for Amenity Expenditure and category for Basic Expenditure and dividing the total expenditures for each by the relevant aggregated 9th's the result of which is then multiplied by the relevant number of 9th's for each property according to the Valuation Band in which it is placed.

***Explanatory Example:** The calculation may be illustrated by the following example. Assume an expenditure of £2,610 has to be apportioned between 8 properties each of which fall into a different Valuation Band. Total number of "9th's" thus 87 and each 9th is £30 as set out below.*

<b>Valuation Band</b>	<b>£2,610 ÷ 87 = £30</b>	<b>Apportionment</b>
A 6/9 ths	6 x £30	180
B 7/9 ths	7 x £30	210
C 8/9 ths	8 x £30	240
D 9/9 ths	9 x £30	270
E 11/9 ths	11 x £30	330
F 13/9 ths	13 x £30	390
G 15/9 ths	15 x £30	450
H 18/9 ths	18 x £30	<u>540</u>
<b>Total 87/9 ths</b>	<b>87 x £30</b>	<b>2,610</b>