

Treasurer's Report to 2022 AGM

Service charges, forecasts and budget

1. The financial position of the company remains sound. I recommend holding the service charge at £130 per month in 2022-23.
2. I have forecasted balances based on the following assumptions:
 - service charge of £130 per month increasing to £140 in September 2023 and rising in line with inflation of 3.0% per year thereafter
 - next painting in 2023 then every three years.
 - Painting costs in line with 2020 + inflation
 - resurfacing the access road at a cost of £68,000 in 2023-24, funded from the contingencies reserve, and again after 25 years
 - resurfacing the circular path in 2054-55 at a cost of £13,000 (2014 prices)
 - tree costs of £5,000 in 2022-23 reducing to £2,000 p.a. plus inflation in later years
3. Under a three year repainting regime balances rise from 2 times normal expenditure after the resurfacing in 2023-24, to 6 times normal expenditure just before the next resurfacing in 2048-49, after which they fall to 2 times normal expenditure before gradually building up again.
4. Once the next road resurfacing - which is now overdue - has been performed, the company will be better placed to judge what level of service charge is needed going forwards.
5. A budget for 2022-23 is annexed to this report.

2021-22 Out-turn

5. The company had a surplus of £18,565 on ordinary activities (i.e. excluding painting) for 2021-22, leaving it with cash balances of £142,153.80 at year end made up as follows:

• Lloyds	£33,018.00
• Co-Operative Bank	£79,456.91
• Hampshire Trust Bank 1 Year Bond	£29,678.89

David Howes (No 7) Treasurer

Annex – 2021-22 Out-turn and 2022-23 Budget

	2021-22 Budget	2021-22 Out-turn	2022-23 Budget
Income			
Maintenance contributions	35,880	35,880	35,880
Gross Interest	482	296	300
Right of Way receipts	833	1,090	1,153
Other Income	30	70	50
Total income	37,225	37,336	37,383
Expenditure			
Water rates	201	65	170
Electricity	964	943	1,300
Insurance	835	818	865
Trees and shrubs	1,000	3,706	5,000
Grounds maintenance	7,000	6,587	7,525
General repairs	500	337	385
Cator Estate Charges	3,560	3,379	3,860
Other Asphalt Work	0	0	0
Administration	68	80	85
Legal and professional fees	1,800 ¹	1,800 ¹	0
Audit and accountancy fees	1,014	1,056	1,117
Total expenditure	16,942	18,771	20,307
Surplus (Deficit) on Ordinary Activities	20,283	18,565	17,076
Tax	0	0	0
Surplus (Deficit) after tax	20,283	18,565	17,076
Road and path resurfacing	55,000 ²	0	0
Painting	0	1,636 ³	0

1 Legal advice on access rights over BCER roads

2 To be funded from contingency reserve

3 Funded from decoration reserve