

MELTON PARK MANAGEMENT COMPANY LIMITED

2020 - 21 Budget Rationale

Shareholders will understand that the bulk of our spending is on-going and unavoidable. It comprises the upkeep and maintenance of the landscaped grounds, the woods, unadopted road surfaces, street lighting, gutter sweeping, insurance, legal fees, accountancy fees and administrative costs.

Road maintenance: £2,600. The budget remains the same as last year and covers road sweeping and drain clearance by Suffolk Norse contractors, plus minor road surface repairs to our unadopted jointly owned roads. Any significant road works such as the major resurfacing aired in the Summer Newsletter 2019 will be a call on our reserve fund.

Street Lighting: £1,201. This covers our contract with Pearce and Kemp who make a monthly safety inspection of street lights and change light bulbs where necessary. ~The contract remains the same as last year, as spending on broken lamps and damaged posts continues to be lower than previous expectations.

Estate maintenance: £7,750. This includes sundry maintenance and repairs to walls, fences, signs and placing and renewing wooden bollards used on the estate. The major expense will be in covering the final bills for the rebuilding of the Fortune Green Wall, now complete, part paid in the 2019-20 budget. This year again includes a small amount for a possible additional dog-waste bin.

Play areas: £1300. This is for the annual safety inspection of all three current play areas and maintenance of the equipment and surfaces.

Gardening and grounds maintenance: £26,585. This figure is the same as last year including £1000 for ad hoc expenditure not covered by the contract.

Tree surveys £2,400. Each year one third of our woodland and trees are surveyed and there is a new contractor for this with Elite Tree Services. The report determines the work programme of our woodsman, Jason Roberts. The figure also includes the monthly whole woodland estate safety check for damage and disease.

Woods Management £20,000. This remains one of the least predictable costs and depends upon the actual needs identified by the annual formal survey, the monthly inspection and events imposed by weather or disease. We will likely face considerable costs for "Ash die-back disease" management. Coppicing and planting programmes continue in order to generally increase and maintain the health of the woods. At the forthcoming AGM we will receive a presentation about the current state of the woodland and future possible management. This may involve further expenditure from reserves.

Legal Fees: £550. To cover any fees incurred for advice on any matter which which the Board considers might affect the legal position of the Company, including recovery of unpaid Service Charges and fees for Companies House filing.

Insurance: £1,805. We hold two insurance policies, for public liability and to cover the liabilities of Directors and Officers in carrying out their functions for the Company.

Service charge collection: £3,030. This covers the collection of the service charge by Hamilton Smith. This task requires the preparation and mailing of 200 individual invoices, processing payments in multiple formats, reminders and liaising with MPMC regarding those who have moved or are late to pay, as well as banking and accounting for the funds.

Accounts and administrative fees: £510. This includes the Auditor's fee paid annually to check our income & expenditure and prepare the formal accounts.

Bank Charges £350. A minor but unavoidable cost.

Printing, Postage & Stationery: £300. This includes the photocopying, postage and stationery for Board Meetings, AGM documentation and newsletters, as well as other letters and information such as responses to buyers' solicitors during the year.

Miscellaneous expenditure: £350. This includes room hire for the AGM, website costs and Directors' out of pocket expenses for travel.

Forecast surplus income over expenditure: £ 9,319

The Board has agreed with shareholders to accrue a year's budget in our reserve fund, a target of £70,000. We had expected a year end profit of approximately £9000, but in the event a profit of £23000 was realised, with savings accruing from grounds and woodlands maintenance, tree surveys and road/lighting budgets.

At January 2019 our reserve fund, having had no unbudgetted withdrawals, stands at £94 331. We do expect however, considerable expenditure on road resurfacing in the coming year or two, which will undoubtedly draw upon these reserves. Not including the as yet unagreed expenditure on roads (we are currently acquiring estimates), we are budgetting for a year end profit in the region of £9000.

The Board considers that for the Service Charge 2020-21 can be kept at the current level of £375.