

CORNER GREEN RESIDENTS SOCIETY LIMITED

Treasurer's Report to the AGM 2 July 2007

I painted a gloomy picture for the EGM on 8.2.07. Fortunately some of the predictions have turned out to be overly pessimistic, now that I have more information. The annual accounts (which have been circulated) speak for themselves but may I ask you to amend the date in the heading of the profit & loss account, p. 4, from 2006 to 2007.

Over the year 2006-7 we made a surplus of £12891, which was transferred to the redecoration reserve. After paying for the repainting this year (£33311), £7395 will be left in the redecoration reserve. The next repainting (2010) is estimated to cost £39673, which is about £13325 p.a. for each of the years 2007-8, 2008-9 and 2009-10.

At the present rate of contributions (£90 a month), but leaving the redecoration reserve intact, we would have the following future shortfalls:- 2007-8 £5514, 2008-9 £915, 2009-10 £1554.

The general funds are shown in the balance sheet as "Profit and loss account" (p. 5 of the accounts). They stood at £11567 as at 31.3.07 (this represents the savings from the windfall payments, traditionally earmarked for special projects).

There are several choices for dealing with the future shortfalls:-

- (1) Meet the shortfall of £5514 in 2007-8 from the redecoration reserve and the shortfalls in 2008-9 and 2009-10 from the same reserve, although it would fall about £600 short of covering them all. Take the £600 from the general funds.
- (2) Leave the redecoration reserve at £7395; meet the shortfall of £5514 for 2007-8 from the general funds, taking the view that most of the additional costs in 2007-8 will have arisen because of tree work, which is a very important element in the life of Corner Green and arguably a proper destination for the windfall money. In 2008-9 and 2009-10 the deficits for those years could be taken from the redecoration reserve.
- (3) Increase the subscriptions by £10 a month. This would raise £2760 a year and over the three years in question would raise £8280, more than covering the total shortfall of £7983 and leaving the reserves enhanced.
- (4) Use a combination of recourse to reserves with some smaller increase in subscriptions over the next three years.

My recommendation would be to choose course (1) but I would be glad to hear the views of members and to take any questions you may have on the accounts.

Biddy Macfarlane  
June 2007

(cgtre67)