

Ifold Estates Limited.

2018 Road Maintenance Charges.

Ifold Estates Limited has two principal sources of income.

- 1) Residents Annual Road Maintenance payments.
- 2) Windfall income from charges to developers for Deeds of Access
for new properties built on the Estate.

The Board believe that the Annual Road Maintenance charge levied on each property should, when taken cumulatively, match the projected road maintenance costs for the coming year and should recognise the need to accumulate a 'sinking fund' to cover the likely future re-surfacing costs given an anticipated 5 – 6 year road surface life span.

The windfall income is the subject of Corporation Tax by HMRC and as it is of a totally irregular nature the Board believe that it should properly be assigned to pay for works which are classed as improvement works, such as new kerbing, new shrub planting etc. Expenditure on these improvement works can be set against this gross income reducing the Corporation Tax liability.

Our major expenditure is that of re-surfacing every 5-6 years. In 2015 the primary re-surface cost was some £87234. If we assume a 5 year life with a 2.5% rate of inflation pa. then our 'Sinking Fund' needs to accumulate £20,000 pa. for 5 years.

The 2017 Detail P&L page 14 in the Accounts package which you have, shows Income from Maintenance contributions of £88,897 and General Admin expenses as £ 70,046 providing a residual £18851. This residual amount is effectively the 2017 contribution to the 'Sinking Fund'. An under recovery of £1149 when compared to the target of £20,000.

The Board will of course review the actual financial position of the Company at the end of 2018 when all the planned maintenance works have been completed and review and adjust the 2019 Road Maintenance charge accordingly.

Our monthly meetings are open to Members. Please come along if you would like to contribute to our discussions.

Peter M Hunter Director & Chairman Ifold Estates Limited.