**MKAA Treasurers Report year end 31st October 2022**

Firstly, I would like to thank the previous treasurer Mr. Iain Gorrie for his sterling efforts as association Treasurer over the years.

As at October 20th, the time of writing this report we had £3,823 banked and £97 in petty cash.

We started the year with £6040 in the bank and £36 in petty cash. Income of note came from plot rents amounting to £1740, from polytunnel spaces £166, farmers markets surplus over expenditure of £239, and £130 surplus from the sale of compost bought in bulk loads and redistributed to members at a low £20 per tonne.

Please do let me know by email at treasurermkaa@gmail.com if you would like to partake of that offer again and I will contact the supplier and get updated costs.

Expenditure of note was for the Polytunnel reskinning the need for which was highlighted in my predecessor’s report at the last AGM, the cost in total with associated groundworks came to £2339 approximately £300 more than initially anticipated, the lion’s share of which was levelling of ground on the polytunnel perimeter, removal of about 5-6 tons of waste, and purchase of pebbles to go around the newly flattened ground edging the tunnel. Further necessary cost previously highlighted was for new wooden fence posts to replace broken or rotten plot perimeter posts at just under £500, our recent skip hire which cost £380+VAT (£456), and bills from Hendersons for mower/strimmer service and repair at £518 and If any member knows of a reputable reasonably local mobile garden equipment engineer/mechanic please let me know via email to enable price comparison.

Looking to budget for next year I take confidence that we maintain a healthy waiting list of eleven although this is expected to reduce by a small number in the New Year.

I read that the idea for charging poly tunnel rents was in order to budget for when the time came to require replacement skin as we have just done. I think that to be a prudent approach. Assuming a ten-year life the projected cost of replacement skin would be circa £3450 assuming 5% inflation average. Poly tunnel rents therefore would need to raise that amount over the ten-year period. A single space currently rents at £9.25 with most users taking a double space. Unfortunately, a 5% rise in polytunnel space rent each year would only raise £2,500 in the period, therefore we need to raise a greater amount in order not to deplete other Association funds. I propose to raise Polytunnel space rent to £10 per space (£20 for two spaces plus the gap in the middle.) This would raise nearly £3k in the period, and can of course be adjusted in the reflect inflation up or down in the future.

As for our main plot rents, I’m advised that we remain having one of the cheaper rent charges in the area. Current UK inflation rate is just under 10% and for our working members pay inflation averages about 5%. Projected for year end 31 October we will have circa £3,800 in funds. Looking at the year ahead I don’t anticipate one-off costs such as the Polytunnel or post replacement other than some potential construction costs should a recent offer of a 20’\*10’ commercial glass-house for a nominal sum come to fruition. Our rents and income in this last year balanced fairly evenly with our regular running costs and I would anticipate we would be much the same this forthcoming year. With careful management of costs, I would hope we can maintain our budget with an overall 5.75% increase in plot rents rather than the full 10% inflation rate. This would increase the overall income from plot rental from £1740 to £1840. The rate calculated raises the per metre fee from 38 pence per metre to 40p. For reasons unbeknown to me a 75m plot last year was nearer 35p per metre and a 50m plot was 38p per metre. I will adjust this to ensure equitable fees. Rounding up by a few pence this would mean the following rents for the year 2022/23:

200m Plot £80

100m Plot £40

70m Plot £30

50m Plot £20

I have presented an expenditure budget to the board which reflects our recent historic costs of operation having taken out the one-offs from the current year and I anticipate expenditure to be circa £2,158. Which if accepted is below anticipated overall income at £2,290. In essence we have a break-even budget which leaves us with just under £4,000 in funds. I would not advise maintaining a purchasing power below that; indeed, I would like it to be maybe £1,000 higher to give us a cushion for any unanticipated costs e.g., replacement machinery. That inflation will erode the value of our bank balance is a fact. I would anticipate more significant rises in plot rents next year if the incoming Conservative, or their successors, don’t get a grip of it.

**The Future:**

Our Lease runs until 31st October 2028 (6 Years) on very fair terms insofar as the rent charged to us is very reasonable. I am aware that some members had concerns with the change of leaseholder that our Allotment may be at risk. The board has sought to ascertain the leaseholder’s intention with relation to us in the short to medium term. With that in mind there was a meeting between two board members and Mr. Barry a senior executive of the firm.

Mr. Barry raised no concerns, indeed agreed that we could build additional plots on our site if we wish. He conveyed to us that they may wish to gain access to the field to the east of our plots (the field backing onto plots 23,13-18, & 20), and this in turn may have some impact plots 1,2, 20,21,22. However, he advised this is not anticipated in the short or even medium term, and if any plot was affected, they would seek to compensate us with other land. I personally foresee this as a matter which may come up come lease renewal negotiations which are some years off.

The full accounts as presented to OSCR will be sent shortly and once our independent auditor has approved. Should any member wish to see a copy once this is done, please let me know and I will send one to you.

On a final note, thank-you to Colm who built additional mesh doors for the Poly Tunnel using his time and saving us money, thank-you to those of you who help at workdays and generally around our common ground and for those who supply plants or staff our Farmer’s Market stall. These are invaluable and enable the association to keep costs down.

Tim Power

Treasurer