

Queenswood Management Association Ltd

Allocation of Reserves

- 1 The company's Reserves as at 31 March 2004 will be split into two funds:
 - Contingency Fund - available to meet unforeseen general expenditure;
 - Major Works Fund - for work such as internal and external decoration, drain refurbishment, boundary fence replacement, roofs refurbishment.
- 2 The Contingency Fund set at an initial £10,000. The remaining reserves to be put into the Major Works Fund.
- 3 Thereafter, at the end of each financial year, any surplus is divided between the two funds. The Contingency Fund should be brought up to £10,000 (or such level as decided by the board at an annual review) each year, with any remaining surplus added to the Major Works Fund.
- 4 Expenditure from Major Works Fund shall not exceed two-thirds of the total *in the Fund* for any single project.
 - This avoids depleting funds on one project, which could put Queenswood Management Association Ltd in the position of having to ask shareholders for 100% contribution to a subsequent major project.
 - The actual percentage of total funds available committed to any one project will remain at the directors' discretion, allowing them to take into account factors such as other planned work.
- 5 The Major Works Fund can be used in two ways:
 - For projects that affect the whole estate;
 - For projects only affecting one or more blocks.
- 6 For projects that only affect one or more blocks, the two-thirds limit on expenditure will be sub-divided, calculated from the percentage of the total flats in Queenswood Gardens that each block contains, as follows:
 - Block A 13.9 % of total funds
 - Block B 10.5 % of total funds
 - Block C 10.5 % of total funds
 - Block D 10.5 % of total funds
 - Block E 7.2 % of total funds
 - Block F 13.9 % of total funds