



**Minutes of the Annual General Meeting  
Held on Monday 27 April 2015 at 7.30pm  
At Sports Pavilion, North Baddesley**

**Members Present**

Mr & Mrs Williams	2 Authie Green
Ms K Foreman	3 Authie Green
Andy Milligan	7 Borden Way
Mr & Mrs Williams	25 Borden Way
Mr & Mrs Gasson	29 Borden Way
Mr Herbert	31 Borden Way
Pat Axford	35 Borden Way
Mr & Mrs Chapman	39 Borden Way
Mrs Harris	81 Borden Way
Mr R Kent	82 Borden Way
Mrs Wilcocks	83 Borden Way
Mr & Mrs Culloch	84 Borden Way
Mr & Mrs Richardson	2 Chilcott Court
Mr T Sparkes	18 Chilcott Court
Mr & Mrs Wallwork-Green	3 Folland Close
Mr P Hayward	4 Fulford Road
- Mr P Collings	37 Fulford Road
Kathryn Taylor	2 Harris Way
Juliette Owens	6 Harris Way
Mr A Fisher	18 Harris Way
Mr & Mrs Otton	29 Harris Way
Mr P Tse	53 Rownhams Road
Mr Osborne	10 Thomas Road
Mr & Mrs Hughes	11 Thomas Road
Mr & Mrs Lines	12 Thomas Road

## **Directors**

Rob Harris	Chairman
Chris Marshall	Leasehold Director responsible for the flats
Lisa Harding	Secretary and debt director

## **Also Present**

Clive Underwood	Underwood Barron
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## **Apologies**

Gill Jeffery	Accounts Director
Sally Denny-Morley	14 Chilcott Court
Mr & Mrs Driver	9 Harris Way
Mrs J Wilcocks	83 Borden Way
Bruce Dawes	8 Folland Close

## **1. Introduction**

Rob Harris opened the meeting and welcomed the members to the first Annual General Meeting since the residents took over from RMG running the management company

Rob Harris introduced himself as chairman and advised he became a Director at the EGM in May last year.

Rob Harris also introduced the other Directors

Chris Marshall, Leasehold Director, Chris was brought in as a Director after volunteering at the EGM in May last year.

Gill Jeffery, Finance Director, Gill was appointed as a Director after volunteering at the EGM last year.

Lisa Harding, Company Secretary and Debt Collection Director. Lisa volunteered to help and become a Director in January.

The object of the meeting was to allow the residents to meet the directors and give feedback and to also give residents a chance to ask questions about the accounts.

Clive Underwood of Underwood Barron was introduced to run through the Management Accounts.

## **2. What have we have achieved so far?**

Rob Harris set out what we had achieved so far:

- RMG were dismissed and so the company has saved almost £29,000 mainly in management fees.
- The annual estate charge reduced from £215 to £95.
- A 5% discount has been introduced for prompt payment if the resident has also provided an email address.
- The directors had obtained a plan showing the areas the management company are responsible for. This is the plan that RMG had been unable to obtain and together with the lack of a head lease was the excuse they used for not handing over to resident Directors.
- The cost of contractors for landscaping, cleaning and window cleaning had been reduced.
- Various issues created by RMG had been corrected including insurance policies that were insuring things that we should not be insuring.
- The fee has been substantially reduced when a resident sells their Property and the fee cancelled if you let your property.

- The electricity and water supply charges to the flats have been sorted.
- The management company debts have been reduced significantly as people have been actively chased and interest charges introduced.
- An excellent web site and a facebook page have been created.
- Correspondence and invoices by email has been encouraged to save postage and costs.
- The directors have tried to be clear, transparent, and approachable. They have tried to respond to queries promptly.

### **3. Election of Directors**

In accordance with the Memorandum and Articles of Association any Director appointed midterm as an additional Director shall retain the office until the next AGM and shall then be eligible for re-election.

Therefore three Directors up for re-election were

#### **Chris Marshall**

Chris was re-elected a director unanimously

#### **Gill Jeffery**

Gill was re-elected a director unanimously

#### **Lisa Harding**

Lisa was re-elected a director unanimously.

**Andy Milligan** volunteered to stand as a Director.

Andy was elected as a director unanimously.

The Articles require at least one freeholder and one leaseholder of the flats to be present at a Directors Meeting. As Chris is the only leaseholder Director Rob Harris asked whether another leaseholder was prepared to volunteer to become a Director, particularly anyone with public relation or good communication skills willing to prepare newsletters and the like.

### **4. 2014 Management Accounts**

Rob Harris handed over to Clive Underwood to run through and explain the accounts.

Clive advised that Whizz Estates (still part of Underwood Baron) were used as accountants to the management company and raised the invoices for the residents.

Clive stated that they took over from RMG in November 2014 and the records they had received were not that professional and were of a poor standard. There were a number of issues taken over from RMG

The first being the debts that had been inherited with the company, these were slowly being cleared, it had been confirmed that none will be written off.

The reserves account was the other significant issue which had been incorrectly allocated between the estate and flats. The reserve had been reallocated in 2014 based on the income generated from each unit.

Underwood Baron had not audited the accounts but had reviewed the records in accordance to the various standards and believed the accounts to be a true and fair account of the company's financials.

Clive discussed the reserves in more detail, that they were required to fund anticipated repairs for the community areas for the estate and fabric of the buildings for the flat owners.

Reserves had been reviewed in detail and we needed to ensure that there were enough reserves, particularly flats to cover potential roof problems etc in the future. If the reserves were insufficient then this could cause issues on a resident selling their property as purchasers are more aware of reserves and would want to see there were sufficient reserves on the accounts.

Reserves needed to accrue over a long period of time for flats in particular so each flat owner over the period they live on the estate contribute a fair share to long term costs.

Clive had advised that the reserves to be reviewed again later in the year by the directors.

The 2014 accounts showed a deficit of over £900. The budget for 2015 is to breakeven. In 2014 £8,000 went to reserves and £6,000 is in the budget for 2015.

The 2015 budget was significantly reduced due to removing RMG costs and as the estate was still fairly new not much needed to be done but that from 2016 the reserves may need to increase to cover costs of an ageing estate.

The company did not have any shareholders so surplus cash was retained by the company to benefit the estate.

The main issue from the flat owners related to the reserves as the flats did not have any reserves for general maintenance (ie carpet for Borden Way flats for fire damage) and the intercom (Harris Way). The flat owners had paid into the reserves over numerous years but still did not have funds to sort these issues whilst the estate had £28,000 reserves and only needed the funds for landscaping costs and minor issues.

Essentially, the flats had poor reserves due to RMGs bad budgeting

Rob suggested a questionnaire was issued to flat owners to see what their priorities were so the directors could get an indication of the costs involved. However we could not just move money from the estate or borrow it unless householders were in agreement.

Rob advised that when we took over from RMG the reserve for the flats was small and for one block was even negative. The directors considered the bookkeeping of RMG to be dubious and had therefore reallocated the reserves based on the amount paid into the reserve by the estate and flats in 2014.

Some of the residents considered that the allocation to the flats was still unfair and it was agreed that all households would be asked if that would be happy for a one off re-allocation of further funds to the flats. From now onwards the reserve for the flats would only be provided by payments from flat owners of the relevant block.

## **5. The Estate**

In the RMG era Test Valley BC cut the grass on the areas they manage with their big mower and a few days later our maintenance contractor cut the strips around the edge with a small mower. This was not very sensible or cost effective and so we now pay the local authority to mow our grass as well as theirs

We contacted the Environment Agency regarding the Drainage Ditch and Balancing Pond and we have Riparian Owners rights and responsibilities. The Environment Agency claim they carry out work to Tanners Brook which includes the drainage ditch although this has never been seen. Ultimately it is the management company's responsibility and so we will need to maintain our side of it.

## **6. Car Parking**

There have been several emails regarding car parking. The roads are adopted and the management company are only responsible for a few visitor car parking bays. Car Parking is a problem on the estate. There are simply too few car parking spaces for the number of residents. It affects us all and there is no solution to the problem.

The management could enforce parking by paying a clamping company but this was a bit heavy handed. However the legal documents residents signed when buying a property on the estate meant they could not park in a visitor bay for more than 24 hours without breaking their covenants.

The directors have parking signs that can be put on cars and therefore if residents have a parking problem they should contact the directors who will put a sign on the car involved.

## **7. The Flats**

Chris discussed the flats and thanked the flat representatives for their help as they passed on any issues in their block to the flat rep who then passed the issues onto Chris which worked well.

As already mentioned, not all flat issues have been resolved due to the financial constraints but there were new cleaners who were better than before

and the window cleaner cleaned all windows as opposed to just the communal ones.

A local electrician was employed now rather than one from Essex. Willow Services still sorted most problems but we will be moving away from them for specialist work.

Chris asked for help from any of the flat owners as to take the pressure off him and speed things up.

## **8. Head Lease**

We have still not received the head lease from Taylor Wimpey but regularly chase their legal department

In an effort to get them to produce the head lease we have withheld payment of the ground rent until such time as they produce it. We were issued with a contract between Taylor Wimpey and a company called Regisport selling them the ground rent. On the first page of that contract it says that the contract comes into force when the head lease is issued. Therefore until such time as there is a head lease there is no contract with Regisport.

We have collected the ground rent due at year end for the flats and will continue to collect the ground rent then hold it until Taylor Wimpey or Regisport ask why we have not paid it. Then we can insist on a head lease.

## **9. Financial Position**

Lisa discussed the debts. RMG had not chased any debts since 2012 when they raised the historical charge.

Therefore the debts we took over from RMG were large but we had reduced these significantly and the 5% discount was well received. Anyone that paid the full invoice amount in January and we had email addresses had a 5% credit on their account which would be offset against next years fees as invoices sent out did not make clear how the 5% discount was given.

The company has a debt of circa £11k from residents, however £8k of this is being collected monthly, usually by standing order.

This therefore left a debt of £3k not being paid, which is made up of 9 properties in respect of the historic charge and 14 properties in respect of the current charge (again excluding debts collected monthly).

Interest is being charged on outstanding debts as this can be done per documents signed when purchasing a property. Residents were encouraged to pay any outstanding debts as no debt will be written off.

## **10. The Future**

We have in place the team and the framework for a good management company going forward.

We aim from now onwards to:

1. Keep annual charges to a minimum by providing a cost effective service

2. Maintain a healthy reserve for the estate
3. Build up and maintain reserves for the flats. These are kept separate for each block and for the flats over the garages.
4. Reward people who pay on time.
5. Chase debts. So that those who pay on time don't carry those who don't pay.
6. Be clear and transparent
7. Be approachable and respond to queries.
8. Issue a questionnaire to flat owners regarding their preferred level of maintenance and reserve fund.
9. Keep you informed what we are doing either by newsletter or on the web site.
10. Continue to improve the website
11. Encourage all residents to supply their email address so that we can save on paper and postage.

## **11. Thanks**

With thanks to

Paul Williams – Our Membership Secretary

Paul Collings – Who helped with the initial set up of the web site.

The Block Representatives:

Mr Richardson in Chilcott Court

Pat Axford in Borden Way and

Juliette Owens in Harris Way