

Kersfield Maintenance Limited
Annual General Meeting Minutes
11th May 2018

Putney Library- Disraeli Road, SW15 2DR

Present

T Charalambous	(DC)	Chair of Directors
R Lawrence	(RL)	Director
J Daffy	(JD)	Director
I Taul	(IT)	Director
M Obi	(MO)	Director
J Cheong	(JC)	Director
Billy-	(B)	Flat 22 Proxy
Lana Mikhaylenko	(LM)	Flat 11
Claire Eglington	(CE)	Flat 12
Frances Toptani	(FT)	Flat 49
Minya Laher	(ML)	Flat 32
Mrs E A Oldham	(EO)	Flat 23
Sam Fosbury	(SF)	Flat 39
Richard Gregory	(RG)	Flat 37
Oliver Sinclair *	(OS)	Flat 29 (only as observer, as not a Lessee or shareholder in Company)
Leonard Davis	(LD)	Flat 33
Peter Taul	(PT)	Flat 25
		Flat 40

Eszter Varszegi- JCF Property Management Ltd
David Graves- JCF Property Management Ltd
Elena Pletea- JCF Property Management Ltd

Apologies: Not received

Proxies received:

One of the proxy forms is not valid as it does not have an assigned person on it.
Proxy received from Flat 22.
The Chair held a proxy from Flat 30

The meeting was chaired by JCF Property Management Ltd and started with Eszter Varszegi's introduction and presentation of her colleagues, David Graves, Managing Director of JCF Property Management Ltd and Elena Pletea - Assistant Property Manager.
She explained the voting procedure and mentioned that everyone had received a copy of the new Garden Royal handbook when signing the attendance sheet. Copies would be posted to non-attending lessees after the meeting.

Approval of the previous meeting minutes

It was mentioned that due to an administrative error the 2016, AGM minutes have not been approved.

Items discussed at 2017 AGM were general issues like bicycle storage at Garden Royal, the roof project, ongoing major works and dormant accounts.

ML mentioned that he had not received an answer to the queries and questions raised by him at the previous AGM. It was agreed that EV would get back to him and clarify those queries shortly after the AGM in writing.

ML mentioned that three contractors had been nominated for the major works and he wished to know why they had not been put forward.

EV clarified that Section 20 procedures had been followed correctly on the major works project. Notice of intention had been issued, followed by a statement of Estimates, She also clarified that the nomination for contractors by lessees were not received within the timeframe specified by the section 20 notice of intention. The nominated contractors suggested by lessees were not put forward because of due diligence reasons, and because health and safety information was not presented by them, or if so, was not sufficient to consider them as being suitable contractors to undertake the works.

EV reiterated the fact that the lessee-nominated contractors did not comply with the requirements of current health and safety regulations and were not therefore able to undertake the major works. It was agreed that in the next newsletter to lessees more detailed information on the next major works project (roof project) would be made available.

LD asked how many contractors had been put forward and who had been managing the major works project.

EV clarified that an independent surveyor had produced the initial tender report using contractors from their own tender list. JCF was not involved in managing the major works. An update letter produced by the chair of Directors had been sent to all the leaseholders. The letter contained an explanation and details on the tender process, and that the surveyor appointed worked on behalf of KML. When the tender estimates were received, the Board found them to be unaffordable and therefore asked the surveyor (who would have been undertaking managing the project) to step back. The Board agreed that day to day management and oversight of the project could be undertaken by the chair as already on site, thereby reducing the need for a Clerk of Works. More contractors were invited to tender and one principal contractor appointed to carry out the works. The principal contractor subcontracted elements of the work to another contractor. The Board advised the meeting that asking the surveyor to step back meant a saving for leaseholders of 12.5% management fee commission. In addition, there was no need for use of expensive scaffolding (approx...£80k of the total quoted cost) as all necessary works could be achieved by using a cherry picker.

ML questioned the total amount of the works as inaccurate. This was clarified and Mr Lehar was advised that the year-end accounts for 2017 would have a full breakdown of the expenditure.

The minutes of the previous AGM were put to the vote and approved by 13 votes for, with 3 against.

Approving Accounts for the year end 2017.

The meeting was advised that copies of the accounts had been sent to all the leaseholders with the AGM agenda and the accounts had been checked and discussed by the board of directors. The company accounts are dormant accounts because the company was not trading. On a vote, the company accounts were approved, by 14 votes for, nil against.

Service charge account:

Various questions on the service charge accounts were raised by flat 32 Mr Lehar.

EV explained that Kersfield Maintenance Ltd operated by payment in arrears in accordance with the lease. All expenditure was collected in arrears and all the leaseholders paid their service charge at the time of the accounts, also prepared in arrears. This explained the amount of the debtors at year end. Current arrears are £38,000 as of today.

Flat 32 raised a query on the balance sheet figures. EV advised ML that this will be checked with Kirk Rice, the accountants for Garden Royal, and that. EV would provide a written answer by 18th of May. (Note: This was subsequently sent to Mr Lehar on 18th of May.)

The question of why the accountants were changed last year was also raised. JD advised that the previous accountants had not been very efficient and very slow to prepare the annual accounts – hence the lateness of the AGM last year. Hillyates (the previous accountants) had been replaced by Kirk Rice, who were local and based in Putney.

Flat 32 also asked why the former Property manager SA had left JCF. JD advised that this kind of question was inappropriate and could not be asked. Flat 32 stated the questions were asked because he needed reassurance nothing untoward had occurred.

DG Managing Director of JCF, present at the meeting, advised that the company had been sold and rebranded towards the end of 2017. He and Stewart White were now the owners of JCF and he had become Managing Director following on from Sara Fisher. He also assured the meeting that Stuart Attwood had not been dismissed, but had decided to move to another company.

Flat 33 raised the question whether the contractors had been paid. EV clarified that there was an issue with one of the contractors, and that there was a retention period and retention fund for putting right any defects. The retention fund could not be released until the retention period had expired, and only with the board's approval. EV also confirmed that there were no other outstanding payments to any of the other suppliers.

Flat 37 mentioned that as the service charges were paid in arrears this might cause delay in paying the contractors in future. Eszter advised that there was a typo on the agenda and the accountants to be nominated were Kirk Rice, not Hillyates as printed on the AGM agenda. As the letter to lessees explained, in future the accounts would be prepared much earlier than previously, and in order to maintain and ensure sufficient cash flow throughout the year for ongoing expenditure, service charges would be collected in two tranches – the reserve fund amount first, followed by the actual service charge for the year when the accounts were published.

Flat 32 enquired regarding the cleaning and waste expenditure. He was advised that the expenditure included cleaning the bin rooms as well as window cleaning also. The cleaning cost for the three blocks was £6,500 a year, with the cleaning undertaken on a weekly basis. In 2012 there was a tender process and the cleaning contract was voted to the chair's cousins' company. The meeting was advised that a conflict of interest was declared at the previous AGM. JD advised the meeting that the previous cleaning company were not able to cope and the services provided were not to a high standard. The current company were going above and beyond the contract parameters, and the services offered were to a very high standard. ML asked to see a copy of the conflict of interest declaration, which EV agreed to provide following the meeting.

Flat 32 asked to see the tender for the cleaning company, which he felt could be provided more cheaply – his own management company employed cleaners at a rate of £8.00ph. It was noted this was less than the London Living Wage (£10.20ph).

EV also advised that contracts as utilities building insurers attended on a yearly basis to make sure that KML were receiving value for money.

Proxy of flat 22 asked that bank reconciliation was sent to all the leaseholders. Flat 32 asked for the cash balance and the tender for the building cleaning, which were agreed would be provided after the meeting

On a vote, the service charge accounts were agreed and adopted by 14 votes for, and 1 against.

Election of the directors

EV advised the meeting that John and Michael were the two new directors co-opted to the board. On a vote, both co-opted Directors were elected by 13 votes for, nil against.

Re-election of the directors due to retire by rotation

EV advised the meeting that Julia and Irene were due to retire from the board by rotation, but both were up for re-election. On a vote, both Directors were re-elected by 12 votes for, nil against.

New Director Nominations

Two nominations for new directors had been received, and one application. Unfortunately two of the applications were ineligible for election as Directors. The meeting was advised that according to the Companies' Act 1948 and Memorandum & Articles of KML, no Directors could be in arrears of service charge to the Company. It was confirmed that none of the current Directors were in arrears, and that due diligence had been applied to each member of the board.

LD gave consent to Eszter to disclose the information as to why he could not be elected as a director on the board of Garden Royal. He advised that he was not aware that they were in arrears, and was not aware that the amount outstanding was part of the service charges. EV advised that as soon as the matter was rectified he could stand for election as a member of the board. LD stated that the main reason he wanted to join the board was because he was able to obtain quotes for various works from building and decorating companies he was associated with professionally. DC advised that he could nominate and invite contractors to tender already under the S.20 procedures.

OS of Flat 29 (who was not a lessee, shareholder or a member of the Company) was invited to make a statement and introduce himself to the meeting. He was asked various questions as what he thought he could bring to the board, and what had motivated him to seek to become a director.

OS advised that he worked in finance on the IT side and had no conflict-of-interest to declare. He also mentioned that he had 2 small children and thought it might be of benefit to bring that perspective to the board. He also would like to become involved in making decisions regarding Garden Royal.

Flat 39 asked if there was a maximum or minimum limit on the number of directors on the board. The meeting was advised that there was a minimum of 3 and maximum of 8 Directors stipulated by the Memorandum & Articles of KML. At present, the Board was balanced and comprised 6 Directors, with 2 Directors drawn from each of the three Blocks.

OS was advised that as he was not a lessee or shareholder or member of the Company, he could not actually speak or vote or make decisions at the AGM, but if he was elected, he would be able to speak and participate at the directors meetings, but not vote, as this was reserved for lessees / shareholders only.

The nomination to join the Board as a Director was put to the vote - 3 votes for; 5 against and nil abstentions.

DC asked and invited leaseholders to put forward their comments and encourage others to provide feedback, as this would help in running the property more efficiently.

Roof project

EV mentioned that on the update letter recently circulated to lessees it was mentioned that cyclical expenditure needed to be undertaken every 5-7 years. Included in this expenditure were items like the roof replacement, tank room works, communal doors and entry phone system, gutter and drain works. A schedule of works accompanied by provisional figures had been put together, and more information would be circulated to everyone shortly. The meeting was advised that estimated figures had been sought just for budgeting purposes but this did not involve entering into any agreement with any contractor at this stage.

The meeting was advised that the 2017 external works still had to be finished off as well, and was included in the 5 years maintenance plan. The works had not been finished previously due to lack of funds and there were also payment plans agreed with the contractors. MO explained that the forecast figures projected were so the service charges could be fixed for the next 7 years and this would help with the Company's cash flow, as well as help lessees budget for the works to be carried out as well. It was confirmed to the meeting that a roof survey had been done by an independent surveyor under the instructions of the previous managing agents. The estimates for the detailed survey had come back at around £1m. The directors had considered that this was far too high to be affordable, and decided to seek more realistic estimates and prioritise the roof works needed. EV mentioned that in order to be able to proceed with the new works an increase in the Reserve Fund should be allowed for and a letter explaining this and giving a breakdown of the costs will be circulated to all the leaseholders.

Flat 49 asked for clarification on what and how much they are paying. JD reassured her that as she was paying on a monthly basis in advance, when the service charge demands came in, the credit on her account was sufficient to cover the invoice.

It was mentioned that the fascia boards did not have to be replaced as they are not the cause of water being splashed from the roof area. The water pooled on the roof and when the wind blows it was splashed out of the roof.

Flat 37 passed his thanks onto the Board for their hard works and mentioned that in terms of communicating the cost of major works, there was a fault on their side. It was requested that the leaseholders are kept more informed in future. It was agreed that a quarterly update and newsletter would be circulated to lessees in future

Flat 39 requested that more notice was given to the residents prior to any item of works starting. He also requested that he is contacted when quotes are required for works. It was agreed that EV would email him the requirements for each contractor working with JCF.

Flat 23 mentioned that the Garden Royal sign above the doors is not now visible during the daytime. It was agreed JCF would look into it. She also mentioned that she is yet to receive the CERTASS guarantee for the window replacement works. It was agreed JD would assist her.

Flat 32 enquired about the cost of the temporary roof repairs above flat 17. It was reported that this had cost some £17k but was only a temporary fix not a permanent solution and the roof works would be the next major building work for Garden Royal.

The accounts were put to the votes and agreed by 14 votes for, nil against.

AOB

Flat 32 thanked and congratulated EV for managing and organising the meeting very well.

There being no other business the meeting was closed at 9.05pm.