

Newport Road Maintenance Limited &

Admiral House Resources Limited

MINUTES OF THE COMBINED ANNUAL GENERAL MEETING

Tuesday 10 September 2013

Those in attendance:

Directors (in alphabetical order)

Richard Battrick	RB
Matthew Currie	MC
Colin Davidson	CD
Emrys Davies	ED
Nasir Jarjis	NJ
Arthur Munday	AM
Phil Parry	PP

Western Permanent Property & Staff

Neil Gregory	NG
Mandy Purvis	MP - (Minuting meeting)
Karl Ashton	KA

Leaseholders

Lanthao Benedikt	LB
Simon Brock	SB
Allan Dattani	AD
Sian Davies	SD
Nat Diloklap	ND
Graeme Garrard	GG
Rowena Hermon	RH
Paul Morgan	PM
Richard Tinckler	RT

Apologies:
No apologies were received

Votes by Proxy:
Mr J Bentley (30 & 46)
Mr & Mrs I Stretford (93)

Note: ED did not vote at the meeting as SD was exercising the voting right as joint owner / member with one apartment.

Newport Road Maintenance Limited

1. AGM Minutes approval

   CD opened the meeting as Chair with PP advising that the minutes associated to last year's meeting had been put onto the Admiral House web-site along with other documentation. MC proposed that the Minutes of last year be accepted, AM seconded, thereafter these being carried unanimously.

   RB asked why CD was chairing the meeting, when he was the sitting Chair elected by members in the 2011 with no change at the 2012 AGM. There was a robust exchange of views with CD stating RB had been suspended as a director. RB stated that in his view CD had self-appointed himself as chair and that his membership should be revoked.

RB further stated that the Articles of Association required that Directors should retire by rotation, and in essence, that meant that both he and CD should retire with immediate effect.

There was further disagreement regarding the proposed change to the Articles of Association; RB stated that he thought the changes were being instigated by CD for his own gain. CD stated this was not the case, such amendments were to bring the articles 'up to date', as they were originally written in a somewhat 'old style'.

There was further disagreement as regards the fact that RB had been accused of assuming the role as a solicitor to use his firm for NRML's work in both collection of service charge debts and legalities for the car park all for his own personal gain. RB stated this was not correct, he had in fact offered his firms' services, as a solicitor was required regardless.

SB stated that discussion of historic debts should not be discussed in detail at the AGM.

SB explained that he had bought the Freehold from the Receiver (although it had since been sold on), and gave a brief synopsis of the history to this.

NG stated that despite variances of opinion ideally the management of the property and (at this time two) management companies needed to be held in focus.

To make progress it was agreed to continue with the agenda until the item relating to appointment of directors for further discussion, the meeting continued with CD in the Chair.

2. <u>Annual Reports approval</u>

PP advised the annual accounts were available on the web site. It was noted that clarity was needed on how the accounts should be filed as it was thought that they should be filed as dormant accounts.

CD said they should show assets and liabilities within balance sheets and so dormant accounts would be the incorrect format. It was stated that Admiral House's own accountants would file dormant accounts for the 2012 financial year.

RT advised as an independent accountant he thought the existing practice of filing dormant accounts was the optimum approach.

RT challenged CD on his self appointed trust status stating that there was no trust status, further stating that the accounts are not full trust accounts and so they should be approved as presented as they are historical, furthermore dormant accounts should be considered acceptable for the future given that leaseholders were clearly able to determine the finances of the management companies.

NG was asked by RT if other management companies filed accounts other than those of dormant companies. NG stated he was only aware of similar companies filing dormant accounts; however CD advised this was the incorrect approach.

SB informed the meeting he believed the accounts were incorrect as he had introduced funds which had not been allocated clearly.

NG advised WPP would take instructions on these issues as clarity from the Board was required.

The motion was passed that the 2012 accounts should be filed as dormant with allocation of funds and future filing of accounts to be reviewed by the Board.

3. Appointment of Directors

CD proposed MC as a director which was accepted at the meeting.

CD stated that he wished to continue with his own service as well further stating that he and in fact all directors had done a good job, but there was clearly a conflict of approach and with strong personalities the concerns were being exacerbated.

RB stated that there was need for stability on the Board and as relations between himself and CD had clearly broken down that both he and CD should step down.

GG asked for both CD and RB to stand down in regard to the rotation of directors because of the discord on the Board. RB accepted this proposal and also proposed ED should Chair the meeting, and be voted into the Chairman's seat moving forward.

ED stated that in his experience a nonvoting member should take the Chair until a Chair was elected.

AD asked why there were issues between CD and RB. A heated discussion ensued with the meeting's order breaking down a little. AD stated that there appeared to be resistance in the background from CD to let leaseholders know what was happening behind the scenes.

GG said he was on the Board and stepped down for this precise reason.

SB stated that a vote to re-elect or otherwise parties was the only democratic way forward.

It was agreed that each Board member would give a brief background of their suitability for the role of director prior to the vote going ahead.

Relevant parties provided background information
MC advising he had strengths in accountancy.
PP having significant experience in journalism and marketing.
CD gave an overview of what he had achieved as regards to the car park allocations, the car lifts and involvement of new managing agents.
ED advising he was involved with other Boards and had good experience of both management and communications.
NJ advised he was a civil engineer, mainly in manufacturing, and went on to estate maintenance.

RB stated that excluding MC who had been elected at the meeting there were four Board members who wished to remain in office.

AM announced that he had already communicated his planned resignation at the AGM to the Board due to work commitments.

CD's status having been audibly challenged at the meeting NG suggested a poll be taken.

CD stated he wished to put himself forward for re-election. PP proposed CD there was no support for the proposal following a show of hands. CD was required to stand down having lost the confidence of members at the meeting.

PP, ED and NJ had not been challenged or requested to stand down as Directors, therefore it was concluded that they would continue in office.

The Board was now left with the following members MC, PP, NJ, and ED this was considered insufficient, a discussion followed on the optimum number of members, SB stated that even numbers of directors could lead to dead lock therefore 5 was considered to be an appropriate number.

There was no interest expressed by participants in the meeting to join the Board.

SD asked if GG would consider re-joining the board; he declined.

MC suggested that CD could be co-opted back to the Board by Directors.

ED questioned if this would be appropriate given that CD had little support at the meeting.

There being no other candidates SB stated that he would be prepared to serve a 1 year term as a co-opted member to ensure an odd number of directors served office. This was accepted by the meeting with the exception of CD.

NG raised the need for a Chair going forward; the director that came forward stating that he would take the position if no one else wished to take on the role was ED.

SB suggested that ED take the chair from this point to move the meeting forward. PP proposed, seconded by NJ and asked for a show of hands. This was carried by all other than CD.

4. <u>Appointment of Accountants</u>
   ED proposed that John Weber Chartered Accountants, who were known to WPP, be appointed. This was carried unanimously.

5. <u>Amend the Articles of Association and adopt the Directors Code</u>
   CD stated that there needed to be an amendment to the Constitution, and he had been in a similar position with other management companies he had served as a director and so referred to Directors Code/Agreement, which cites

fair ways to deal with conflicts. (ND left the meeting at this point.) CD re-emphasised the salient points of the suggested amended Constitution and proposed that the new document be implemented.

RB stated that CD was keen to have the Constitution amended most of all to remove the rotation of Directors having to retire for his own advantage.

After heated discussion RB and CD agreed that the updated articles could be accepted without the amendment of the directors' rotation.

SB stated that he did not believe that the Articles should be changed as the new version would pass too much control to investors such as him owning large numbers of apartments within Admiral House.

A show of hands was called for, with 4 voting in support of the motion with 2 proxy votes, and 9 voted against (although this should have been 8 – as one apartment was represented twice by way of both spouses of a single apartment raising hands). The proposal to re-elect CD was therefore rejected.

Management update

6. Review of Services to the block
ED outlined the reason why two companies had been set up. SB advised this was questionable legally and could be challenged. It was agreed the Board would reconsider this at the next directors meeting as to whether the second staffing company would be closed down at the end for the calendar year.

PP outlined what the Board had achieved over the last 12 months. PP read out the précis he and MC had drafted adding further information as he spoke. Having been with Living City for 6 years their services were terminated and following a vigorous tender process involving around 10 firms, WPP were appointed. WPP provided better value for money, were local and to date had helped action many neglected aspects.

It was stated that the concierge services should be retained in response to a survey of members to ensure the development remained as one of Cardiff's premier apartment blocks.

Other issues discussed included car park spaces, installation of improved cctv systems, lighting issues had been resolved around the building, which had been in a state of disrepair for many years The upper car park was now in use, water pump works had been undertaken and roof repairs had been addressed with other remedial work planned and in progress, although some work remained outstanding.
A full cost review is under way looking for every cost saving opportunity.

7. Review of Services provided to the car park
NG gave an overview that the day to day servicing of the same were the remit of KA and his team, who he believed provided an outstanding service.

PP asked if there were any specific queries. RT requested some idea of actual costs against those budgeted to date and whether service charges were likely to fall from those raised by LCAM. MC confirmed that the costs to

date pointed towards a welcome saving but also advised the management company had needed to attend to many neglected maintenance issues which had caused short term expenditure.

AD asked for comparable service charges to other similar apartment blocks, NG stated that unless the quality of continual staffing services was to be compromised the costs were considered to be of good value.

GG asked about the Reserve Fund. NG explained reserves were held however it was important service charge allocations and the reserve ensured items of longer term cyclical maintenance such as major lift servicing and internal recarpeting were factored into annual budgets as well.

He further stated that the planned preventative maintenance schedule (PPM) had only been provided the day before the meeting by LCAM by e-mail despite being requested on numerous occasions to date. Full consideration of this would help give a better understanding of the longer term maintenance and the required contributions.

PP stated that being only 8 months or so into the year it would be difficult to determine finances exactly, however he and the Board were pleased with actions and costs incurred this year.

ED provide an example of maintenance and longer term cost saving actions stating that all 3 water pumps were found to be running full time previously as they had not been serviced, this work has been completed to ensure that pumps now only work only on demand.

NG stated that the lighting is being replaced by LED fittings on a rolling basis as and when existing units failed which would also help reduce consumption and improve upon longevity, thus saving money in time.

8. Review of debt collection
   ED advised service charge debtors were being actively tackled by WPP. NG advised it would be inappropriate to discuss specific leaseholders at the AGM but the directors were fully aware of any such parties in debt.

   There being no further business, this meeting was closed at 8.15 pm

Admiral House Resources Limited

1) Appointment of Directors
   It was proposed that the Board should be the same as for Newport Road Maintenance Limited.

   SB suggested this being the case it may be better for NRML to be the director. This was accepted as a prudent way forward although he also stated the company ought to be closed down after this financial year.

   CD advised it had been created for the saving of VAT as suggested by RB.

NG, RT and SB stated this was not correct as employment by the management company directly would not have resulted in the raising of VAT. NG and SB advised the two company structure could be challenged legally and so ideally needed to return one entity as specified under the terms of the lease. The Board would consider this more closely at the next meeting.

2) Appointment of Accountants
It was proposed that the John Weber Accountants should be used as per Newport Road Maintenance Limited. This was carried at the meeting.

Management update

3) Review of Staffing to the block
PP advised the current set up of 24/7 cover had been raised previously with it being agreed by way of a vote amongst leaseholders that was their requirement.

4) Review of Staffing to the Car Park
SB advised he considered the charges allocated to be inappropriate, thus resulting in the parties with car parking spaces paying more than they ought to. He would discuss this further with the Board.

5) Review of Debt Collecting
As with NRML, this was being attended to by WPP with the directors overseeing but specifics should not be discussed at the meeting.

There being no further business the meeting closed at 8.30 P.M.