

St George's Fields Limited

Minutes of the Annual General Meeting of St George's Fields Limited (the "Company") held on Tuesday 13th October 2020 at 7:00pm at The Estate Office, St George's Fields, London W22YE and shared via video conference

Present: A quorum of members made up of the Company Directors (Alan Seymour, Kate Roskell, Richard Harding and Stephen Mayer); Gareth Targett, Head of SGF Services,
The meeting was also viewed via video conference by a number of shareholders and Alasdair Weaks representing the Company's auditors, Simpson Wreford and Partners.

Introduction

The Chair was taken by Alan Seymour who opened the AGM by welcoming shareholders and:

- Explained the unusual virtual nature of the AGM which needed to take place during the current pandemic;
- He explained that the AGM was his last act as a director of SGF which he had been for 9 years and the last 3 as Chairman, confirming his resignation;
- Advised those attending via video conference of the physical attendance of 3 members of the company in order to ensure that the AGM was quorate;
- Introduced the Company's professional adviser Alasdair Weaks who was in attendance via video conference and acting as independent scrutineer;
- Thanked those who had submitted their votes via proxy ahead of the meeting;
- Explained the difficulty in holding a live Q&A via video conference and the Board's decision to request any questions or comments in advance of the meeting so that these, along with the Board's response to them, could be circulated to shareholders ahead of the meeting, with an invitation for any further follow up questions in response to them.

The Chair advised that the usual AGM finance presentation had been made available ahead of the meeting this year and that shareholders had been invited to ask any questions ahead of the meeting.

Q&A's

An addendum to the AGM minutes is attached where the Q&A's are dealt with in more detail.

AGM Resolutions – votes cast by proxy forms received ahead of the meeting and show of hands by those present at the meeting

- The minutes of the 2019 AGM (**Resolution 1**) were approved
- The Directors' Report and Financial Statements of the Company for the year ended 31 December 2019, together with the report of the Auditors (**Resolution 2**) were approved
- The reappointment of Simpson Wreford and Partners as Auditors to the Company (**Resolution 3**) was approved
- The proposal to authorise the directors to determine the remuneration of the Auditors (**Resolution 4**) was approved

AGM Resolutions – votes cast by proxy forms received ahead of the meeting and poll vote by those present at the meeting

During the proceedings, the Chairman proposed that the resolution relating to the directors' fees (**Resolution 5**) and the election of directors (**Resolution 6**) be cast on a poll. There would be a brief interval during which Alasdair Weaks, who would act as an independent scrutineer, would count and add those poll votes cast at the meeting to those that had been completed by proxy ahead of the meeting.

Directors' Fees

The Chairman proposed the resolution to increase the combined directors' fees and expenses for the year ending 31 December 2020 in line with CPI (1.1%) to £20,930.80 pa, which is shared between directors. Shareholders present were invited to complete their poll cards for this in support or otherwise of this resolution.

Election of Directors

The Chairman advised that in the absence of being able to say a few words about themselves during the meeting, those standing for election had made videos available ahead of the meeting which had been hosted online.

Orla Jackson and Natasha Tsangarides (seeking election), and Kate Roskell (seeking re-election).

Shareholders present were invited to complete their poll cards to cast their votes for the election of directors.

AGM Resolutions - poll votes

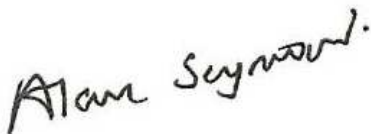
Alasdair Weaks acted as independent scrutineer, conducted his count during a short interval. Alan Seymour announced the following poll results together with the forms of proxy submitted earlier by shareholders:

The proposal to increase the combined directors' fees and expenses for the year ending 31 December 2020 in line with CPI (1.1%) to £20,930.80 pa, which is shared between directors (**Resolution 5**), was approved on a combination of poll vote by those present and proxy votes received ahead of the meeting (46 For vs 15 Against).

The re-election of Kate Roskell (**Resolution 6b**) and election of Natasha Tsangarides (**Resolution 6c**) as directors was approved on a combination of poll vote by those present and proxy votes received ahead of the meeting. The voting result was: Orla Jackson – 29 votes, Kate Roskell – 51 Votes and Natasha Tsangarides – 34 votes.

The Chair thanked his fellow directors, past and present, the Management team and all staff for their work.

There being no further business, the Chair thanked everyone for attending the AGM and declared his final AGM as Chair closed.



Alan Seymour
Chair

FOR INFORMATION

ADDENDUM TO AGM MINUTES – Q&A SESSION

Shareholder 1

1. **Revitalisation Consultation – with the consultation period having been completed I would have expected that the questions, answers and outcomes would have been a discussion point for the AGM. When will the questions and answers be shared and what form will a Shareholders discussion take?**

The unique nature of the AGM means that it is not possible to have any debate on any matter. Leaseholders have been consulted over the proposals. The Board is grateful for the many responses from shareholders and will analyse them at its strategy session in early November. After that, the next step is to share the comments and observations made and ask for any further comments and observations from shareholders. It is hoped to do this by the middle of November.

2. **Revitalisation Costs – I have grave concerns about spending such large amounts of money and reserves in the current climate of coronavirus, uncertainty of personal income and the recent performance of SGF2, how do you respond to this concern?**

The Board are confident that there are sufficient funds available to undertake the works over the course of several years. However, it must be noted that the current public health emergency is a consideration and the Board will review reserve funding accordingly.

3. **Directional Signage – if this has been approved, will there be 3 proposals, and will there be shareholder/resident involvement in the form of a discussion and decision panel?**

The Board have asked several companies to tender for the work and there is a desire to see different options. It is envisaged to consult widely on the proposals, but no firm decision has been taken as to how this might take place but certainly want to everyone to have an opportunity to review them and have a say.

4. **Finances – in the presentation there is a statement saying “expenditure lower due to reduced estate improvement works offset by increased administration costs”. Please can you elaborate on the increased admin costs given that they were specifically mentioned?**

Overall, SGF Ltd made a small loss. Although there were less estate improvement costs contributed from this account there was increased cost contributed to the running of the estate office. Doing this means there is a nil corporation tax liability to HMRC. The benefit is that the service charge account is kept lower.

5. **AGM – This question is as a result of personal recent experience and wanting to fore-arm you... As no questions will be allowed at the AGM Zoom call, I understand this is a somewhat unique situation and moderation of such calls can be complex. What if someone has a question as a result of reading the answers to someone else's questions/answers or wants to raise AOB?**

It is hoped that having this question and answer process will solve any issues or questions shareholders have. If there are any further questions raised as a result of these answers the Board would be delighted to answer any follow up questions and share those answers widely also.

However, the Board want to highlight that time is set aside at each Board meeting to consider shareholders correspondence and reply to matters raised. Hopefully, if a shareholder has an AOB question they can raise it ahead of the meeting and the Chairman will attempt to deal with it. Alternatively, the Board can correspond after the meeting also and append it to the minutes.

Shareholder 2

Dear Members of the Board,

In reviewing the financials of SGF and SGF2 I noted that the Auditor's remuneration for non-audit work increased from £3,990 in 2018 to £9,526 in 2019 (across both companies).

I may have missed a comment about this cost in the auditor's report or in another document, but could you please provide insight to the nature of the cost and the reason for the substantial year over year increase?

The charges for non-audit work will vary year on year depending on what arises. That said, there is regular work done throughout the year, such as the bank reconciliations, which falls into the non-audit category. One can expect to see variations year on year. However, as highlighted, the variation between 2018 and 2019 is significant.

The main extra work undertaken in 2019 relates to the ARLA client money certification for St George's Fields (No.2) Ltd, required to ensure that the estate agency complies with client money protection regulations that govern its activities. Some of the work was a catch up for an under provision from 2018, but much of the increase relates to the certification for the year to 31st December 2018 (carried out and charged in 2019). The fees for doing this work were £4,100.

FOR INFORMATION

Shareholder 3

For Ms. Orla Jackson:

On the SGF WhatsApp Group, Ms. Jackson has frequently expressed her hostility towards the Office Management Team, and yet commends them in her written manifesto. The two positions are irreconcilable. What are her true feelings regarding The Office? If the former, it would surely prove difficult for her to make a positive contribution to the Board of Directors. The 'baggage' of her criticisms would clearly militate against objectivity insofar as The Office Management is concerned.

At the same time, Ms. Jackson appears to be close to a resident whose relentless vendetta against the Estate Manager has proved divisive for too many years. Given this, can Ms. Jackson assure me that she will recuse herself, if, and when, issues regarding this resident are raised at Board Meetings?

Dear Shareholder,

I am sorry you read my comments on the SGF WhatsApp group as hostile towards the Office Management Team. As expressed in my candidate information request form, I feel there is a strong day to day management team. Prior to my application, I carefully considered what the role of non-executive director involves and am aware that in the past when board members did not communicate well and support the office, the outcome was that SGF was badly managed and this, of course, is to be avoided at all costs.

My true feeling is that, overall, the current office is commendable. Equally, I would like to highlight that I am not fearful of expressing my viewpoint and feel this should be viewed as a positive contribution and asset to SGF. Do please feel free to make me aware of what you feel the possible 'baggage' is that I could potentially bring to the Board of Directors.

You expressed concern about my appearance of being 'close to a resident whose relentless vendetta against the Estate Manager has proved divisive for too many years'. I am friendly and socialise with a number of my neighbours in SGF and do not appreciate the implication that the nature of my relationship with any of my neighbours is greater than friendship. Our community will not benefit from ill will between residents, the management team or the board and I do not condone any offensive behaviour towards anyone. I recognise any large organisation or community such as ours will have differences in opinion and challenges to overcome with respect for one another whether these differences and challenges are real or imagined. I wish to underline that I value Gareth Targett, the Estate Manager and I would do my best to always work towards balance and fairness for all residents in our lovely multigenerational unique estate.

Whether or not I am successful in my application to the Board I would like to extend the offer that I am happy to meet in person the shareholder who holds such concerns about me.

Orla Jackson

Shareholder 4

Major Expenses

SGF have owned three flats since we went private in the early 1980s. The original cost is on the books as approximately £70,000 with the book value now being £2,215,000. The idea then was to be able to liquidate one or more when major works were required to save raising the service charges higher than general maintenance required.

And now more major expense is anticipated. Surely, we should consider selling one flat now after owning it for almost 40 years or use it as collateral against a loan with interest rates being unusually low. Those of us who have been here for a very long time should benefit from holding these assets for so long. Those who have recently become shareholders will appreciate the benefit accruing to them.

Should we make use of one of our assets held for years in order to ease the cost of major expenses going forward?

SGF have until recently had the strategy of being property owners and held the view you can only sell a property once. The Board are reviewing this policy, however.

A consideration in this review of the policy is that selling any of the properties will incur a substantial amount of corporation tax on any profit that is made on the increase in value over the initial acquisition cost.

Revaluation

Can you please remind shareholders again as to why the properties were revalued downwards in 2018 and have since been revalued upwards by a small amount 2019?

Property prices go up and down over time and for current accounting practices the value must be reflected as of the date of the account.

Service Charges

2019 charges were raised 8.5% when CPI rates were around 2.5% at end 2018 when a decision would have been made. 2020 charges were raised 3.9% when CPI was around 2.3% year to September 2019. Year to date (September 2020) CPI is hovering around 1%.

Since everything stopped during lockdown, I would imagine that not all the money budgeted for 2020 has been spent and now would be a good time to leave service charges unchanged for the next year. This has been done in the past and was welcomed at the time.

Can we use monies that should have been spent in 2020 and were not due to the lockdown that took place to leave the service charges for 2021 at the same level as 2020?

The Board is currently finalising the service charge budget for 2021 and is taking account of small savings in costs during lockdown.

Budget 2020

Query on the following budget expenses:

Administration

	2017	2018	2019	2020
Budget	£100,00	£103,000	£108,000	£120,000

Why the big jump in costs when the current economic situation is dire?

The budget for 2020 was prepared in Nov 2019 before the current public health emergency. There was a plan, communicated with the budget papers, to have an up to date property software system purchased. Although a later decision not to purchase this system was made.

Gardening

Budget	£107,000	£105,000	£106,000	£107,000
Actual		£90,006	£86,388	

Why is the budget even higher this year when for the last two years we have over budgeted?

Are we planning on spending an extra £20,000 on a mature garden? Should we look again at having in-house gardeners when the current contract runs out? How much profit are they making from SGF that we might be able to retain?

There are many issues that may crop up from time to time and it is prudent to budget a sensible amount in all budget lines including gardens. This policy means that there is not the need to go back to shareholders to ask for a further contribution to that years' service charge and collect these sums in the next financial year.

Cleaning

	2017	2018	2019	2020
Budget	£99,000	£101,000	£102,000	£106,000
Actual		£96,825	£105,031	

The higher expense seems to be due to employment costs.

In the past the gardening costs have been substantially less than our cleaning costs.

Are we spending too much on the gardens, lovely though they are?

The Board do not consider that too much is being spent on the gardens. It has been pointed out to the Board before that the gardens are SGF's greatest asset and there has in the past been a lack of investment.

Every 3 years the contract for the maintenance of the gardens goes through a robust tender process. Shareholders are given the opportunity at that stage to make comments and observations on this. Tenders are then scrutinised on a cost and quality basis with the best quality tender and most cost-effective gardeners awarded the contract.

Directors' Fees

There is a proposal to raise the Directors' Fees. We are in an unprecedented period when many people are losing their jobs, companies are going bankrupt and the economy is more than struggling. I believe that the directors' fees should not be raised at this time. They were held level at the AGM in 2016 so it is not an unusual step to take.

Should we retain the current level of the Directors' Fees going forward until the economy has settled?

The overall Directors' fees are paid from the Ltd Company rather than the service charge account and are shared between 6 directors meaning on average each receives circa £3,500. The increase in fees proposed is tiny in relation to the overall budget. Ultimately, shareholders can if they want to, vote against this motion at the AGM and if a majority is against the increase then they will not be increased.

Reserves

In 2018 we budgeted for £200,000 to go into the Reserve Account. In fact, the amount was £235,541. In 2019, £250,000 was budgeted and £284,941 was transferred.

I don't remember but was it agreed at an AGM that the reserves should increase by £50,000 from the £200,000 that we had been collecting? And now I see that the budget for 2020 was actually £255,000 to be put into reserves.

I think that the reserves budget for each year should reflect the fact that we have added additional monies and therefore lower the reserve budget for the coming year. Our budgets should reflect what we think the actual costs should be and unspent monies returned or retained but should benefit the shareholders. If we agree £200,000/£250,000 in reserves every year, I don't think we should use over budgeted money to plump up reserves even more.

Should we use over-budgeted monies to add to that amount that we had already agreed or should it be returned to the shareholders by way of a reduced call for the coming year. If we agreed £200,000 (now it seems £255,000) then that is what it should be.

The Board look to collect what is sent out in the budget papers for the reserves with a long-term view over major works. The Board then also consider what the reserve fund needs to be to match the projected cost of these works in line with the Asset Management Review. In 2019 circa £750,000 was expended for the essential renewal of the Low Voltage Electrical Supply and so, there is a need to restore the reserves in order that we can match the expected works over the next few years as set out in the Asset Management Review.

Every year Management send out the service charge statements with an analysis of where budget lines were under (or over) spent and the reasons why. If expenditure is contained within the sums budgeted is a good thing and shows prudent management of shareholders monies.

Shareholder 5

"Rejuvenation Project", Necessary Repairs, and Legal Rights

Can we please be told more about the shareholders' responses to the "Rejuvenation Project Consultation" and the planned outcome? Especially as one shareholder told me that a Board Member had said some 4 weeks ago, even before all comments were in, not to bother to submit any more objections to this cosmetic expense because the whole matter was to be dropped?

And why have not actually needy areas, notably the very-badly-weathered Archery Steps 5th floor doors, been designated for urgent beautifying attention? Also, why cannot the whole roadway be improved, tarmacked smoothly and uniformly, instead of just the under-tunnel areas?

And since the replacement doors on 5th floor Hanover Steps are controversial, both in appearance and structure, and were refused by some owner shareholders, will it be legal for any shareholder to refuse such a substandard replacement to their individual flat in the future?

Will legal action be taken against shareholders who add their own knockers, specialist locks, handles, religious decorations, etc.?

The Board have stated that the comments and observations of all shareholders received during the consultation will be shared as part of the next part of the consultation. This remains the case.

The remainder roadway surface had not been part of the consultation but may be part of an improvement plan at some later date and this can be considered then.

As the consultation has not concluded it is too early to discuss legal ramifications about door furniture. SGF have not nor would not put in sub-standard doors.

Structural Failings

How many flats have experienced water egress from an above flat due to structural pipe and/or concrete failure in the past year, and how many more than the previous year, and is the number alarmingly increasing?

How significant are the consequent insurance and repair costs, let alone the discomfort to residents? And should SGF be doing more inspections and preventative measures in this regard?

Specifically, 1 flat last year had a drainpipe replaced and 2 this year so far. This would not seem to be an alarming increase. As ever, where there is a report of a leak, Management attend to attempt to identify the source of the leak which could be from a variety of different sources; a deterioration of the asphalt surface, flower box issues and/or poorly installed double glazing over the years are just a few of the most common types of faults that occur. Concrete is a porous material and where rainwater gets beyond the external waterproofing measures leaks may occur from one flat's balcony into another.

The repairs budget has sums set aside specifically for these works and costs are contained within these budget lines. Insurance is there for leaseholders to make a claim should they wish, or, in the alternative they can take the opportunity of a free 'decoration touch up' of any water stained or affected areas. Taking this option would assist with keeping claims lower. The Board review the claims history when the insurance is renewed and there has not been an alarming spike of claims in this regard.

Given the location of these pipes as buried within the concrete it is not possible to undertake a preventative visual inspection.

East of Archery Steps Project and More Flowers

Why has not the East of Archery Steps project with a planned expenditure of £35,000 and a total relandscaping, along with the loss of access for residents' garden recycling waste, been more widely consulted amongst shareholders?

The obligation to consult with leaseholders is for sums expended where works cost over circa £68,000. The Board asked a committee of interested shareholders to work with the Garden Contractor and directors to recommend a plan. The vast majority of committee members agreed the final plan and the Board have approved the budget.

And why was the sum for SGF "new planting" last year reduced by £7,000, as per the accounts, so that we had no new flowers from July 2019 all through autumn, as is happening again this summer and autumn despite other public spaces finding plenty of colourful supplies? Even though the Garden Committee repeatedly asks for more colour, and any small flower displays, even 2 weeks of Hydrangeas, always get praising comments passed to Gareth? Gareth's letter to me in this regard says it is for the Garden Committee to decide, but they have asked and it seems to be left to Gareth to authorise the request and expense with the Garden Contractor, so what is the difficulty? (With the previous Garden Contractors, especially the containers in front of the office, but also many other areas, were planted with colourful roses, geraniums and lots of cascading summer blooms.)

Where the garden committee have suggested flowers, they have been ordered and planted. If the leaseholder has information to the contrary, then please supply it to Management and they will rectify.

Shareholder 6

- 1. I read in the news that the regulations about cladding have been updated EWS1, and now apply to buildings of any height. I wondered if the wooden panelling on the balcony flats now falls into the category of needing certification.**
- 2. A recent newsletter made a mention of squirrels, they seem to have been particularly prevalent this year.**
- 3. I would be interested in an update on plans for electric vehicle charging points.**

- 1. Currently we are organising certification for the EWS1 form. We have an interim report from the Chartered Engineer of the Institute of Fire Engineers who has assessed the timber cladding and some other areas of the estate as having 'limited combustibility' and so it is anticipated to have the final certification in due course.*
- 2. Yes, they have been particularly abundant this year and the Board agreed to a week-long riddance programme to keep the numbers down.*
- 3. It is anticipated that some charging point for EVs will be installed in 2021.*

FOLLOW UP QUESTIONS

From Shareholder 5

My query about attention to the very-badly-weathered Archery Steps 5th floor doors was not answered.

These doors were scheduled for decoration this Summer as part of the managements team maintenance plan for the year presented by them to the Board in January. Sadly, the pandemic has delayed many of the Summer Decorations, but this will be picked up in due course along with other maintenance issues that have been delayed.

More Flowers

Your reply seems to be telling me that no flowering plants will be added unless specifically ordered on the request of the Garden Committee who have to specifically ask for them in specific detail? This Committee meets only very occasionally. Meanwhile, is it up to me alone to list good year-round planting solutions to enhance our flowerbeds at entrances and beside paths?

Seasonal flowering plants have been commercially available, as can be seen in local areas. The addition of cheerful long-lasting flowering Busy-Lizzies at the SGF front entrance and Albion Gate area cost an enterprising shareholder less than £20. In the last 2 weeks, after months of barrenness, the Garden Contractor has now at last made a welcome small planting addition of some pansies to the front olive-tree pots and to the horse trough, and also one patch of purple heather. More winter Cyclamens in front beds would be a good idea (others planted in previous years are flowering but not in prominent areas). Scented wallflower plugs could be planted in November for spring flowering. Geraniums, petunias and lobelias could be added in spring at no great cost.

As per my previous enquiry, why cannot the contract of the Garden Contractor or Gareth organise spending just a few hundred pounds for more flower planting as was done by the previous Garden Contractors? And do ongoing planting for colour, other than just spring bulbs, in the coming year?

To provide a fuller explanation. The garden committee can recommend plantings and sums are set aside for this. It may be an idea to seek the garden maintenance contractors' views at the beginning of the year on type of flowers and areas for plantings. They can then quote for this and the Board can then approve the plantings and work through that schedule each year. When the contract is next tendered the question of planting of year-long flowers could be included in the tender for the contract as an idea.