

May 2024

Dear Shareholder

St George's Fields Limited – Annual General Meeting 2024

The Board very much looks forward to again welcoming shareholders to the AGM which this year takes place on Tuesday 18th June at the Victory Services Club. I hope that many of you chose to attend as it is your opportunity to hear about your company and to put questions to your Board. There is also the usual provision for shareholders to submit written questions in advance.

This will be my final AGM as I step down from the Board following this meeting. I have written in previous years about the numerous challenges that we face at SGF whilst, at the same time, continuing to enjoy the enviable position of living in a garden setting so very close to the centre of London.

The buildings of SGF are now some 50 years old and will continue to require regular maintenance. Today's shareholders benefit from the careful management of this maintenance by past boards and management teams, but the demands are ongoing, and your Board continues to prioritise a focus on these needs. This year will see an updated professional review of the overall condition of the SGF estate giving an important budget indication of the anticipated expenditure required over the next few years.

I mention the ongoing maintenance because you will also know that the Board has recently kept the annual increases in the service charge at a 'below inflation' figure to help shareholders (and indirectly tenants) through the recent so called 'cost of living crisis'. Unfortunately, there are inevitable consequences of this meaning that the revenue raised through the service charge will not continue to support necessary maintenance works without impacting the reserves unless we recognise the realities of inflation, especially as it affects Central London building maintenance costs.

We have been partly sheltered from these increasing costs through the successes of our in-house sales and lettings business (SGF2 Ltd ably managed by Nicki Clark which once again has delivered an excellent dividend of £40,000 to SGF) and also by the generous legacy of Janet Pavlic which has helped fund the new Wayfinding signage and the improvements to the Tunnel areas.

The Board wishes to continue these improvements to our surroundings, and you will have seen from recent Board minutes that the next project, which will address the somewhat tired appearance of the internal corridors, will necessarily be deferred until the output of this year's asset review indicates what funds can be made available to carry out this work without impacting a desirable level of reserves. There will be a full consultation about this project, however the proposals do not envisage dramatic changes to the overall design of the 2nd and 3rd floor corridors but an improvement respecting the original design and reflecting what has already been achieved for those living on the ground floors. The Board continues to benefit from professional design advice which not only respects, but is enthusiastic about, the design heritage of the SGF buildings and their setting.

This year has finally seen the completion of the Tunnel works, and the Pavlic memorial garden. This memorial has not been without some controversy, but it will gradually mature as the surrounding hedging grows and the planting plans are adapted to the tricky growing environment under the tree cover. The temporary plaque (while we await the permanent anodised sign in keeping with the new signage) with the QR code link to Janet's memorial page on the website has now been put in place.

The Board has also committed to another cycle store like the two already built. These additional spaces should eliminate the need for cycle storage in the car park areas which is thought to be the main attraction for persons who are up to no good affecting security in these areas.

We have seen the roll out of the new access fobs which are much more versatile. The management team has thus ensured that the replacement fobs have gone only to those entitled to hold them and means that the old fobs no longer provide access to the estate. There will also be some additional strategically located CCTV camera coverage to help security. Sadly, nothing will guarantee absolute security and residents should report thefts to the Police (who are the responsible authority) as well as to the Estate Office. The Estate Office cannot share CCTV footage with residents as this is contrary to the regulations governing CCTV operated by businesses which is the category governing SGF Ltd. The Police can review footage but only if the thefts are reported to them promptly which, can only be done by the victim of the theft not the management team.

The gardens remain a key feature, of course, and the reconstituted Garden Committee forms the link with the garden contractors and has enjoyed a successful start. The wet weather has not helped matters this past year and many of you will have noted the impact on the lawns and some of the trees. Improvements are continually under review and the committee welcomes suggestions from shareholders. Now that the better weather has arrived, the gardens are happily recovering well.

I must again reference our very professional Management Team. This continues to be ably led by Gareth Targett assisted by Jade Fallon-O'Sullivan as his deputy; and our thanks go to them and to all the estate workers. I have said before that their efforts often go unnoticed but make such an enormous difference to our surroundings. There are numerous different tasks that our professional management must address to keep pace with administrative and legislative changes. Much of this goes on without residents, or the directors, being aware but this year it has included the new Building Safety Act which has been one of my own concerns as it is essential that SGF can demonstrate compliance with this new legislation. Fortunately, it appears very likely that SGF will be in compliance with this new legislative regime and also that SGF will be viewed in a lower priority category for the regulators as this legislation is rolled out.

I have already mentioned SGF2 Ltd, our in-house letting and sales agency. SGF2 looks after the interests of so many of the landlords in SGF who let their properties through SGF2. The business continues to grow and, although the agency's results in lettings and sales are affected by the overall market conditions, it still delivers excellent results for its clients whilst earning significant profits for SGF itself. SGF2 has again delivered a dividend to SGF which goes towards the costs of running the estate. We are all extremely grateful to Nikki Clarke who manages this business so professionally and effectively.

Permit me to also say something about the Residents' WhatsApp Group. This has been a fantastically successful forum for residents having been originally established to help with the organisation of social events. Such events have added so much to our sense of community within the hustle and bustle of W2. However, please can I encourage members of the Group to bring any concerns about the management of the Estate directly to the Office using reception@sgfestateoffice.co.uk or if you remain unsatisfied with managements response to your concern or query to the Board using chairman@sgfestateoffice.co.uk Let's keep the 'chat' to the numerous social purposes and causes which have been applauded by the majority of group users.

Finally, I wish to record my thanks to my fellow directors who are an invaluable resource to all shareholders as well to me; their combined experience and insights are an essential contribution to the oversight and direction that the Board seeks to deliver on your behalf. Special thanks must go to Orla Jackson who has decided not to stand again having too many other commitments. Orla has brought a different perspective to the Board having a keen interest in the appearance and values of SGF.

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I stand down from the Board at this AGM. It really has been a privilege to serve the community in which we all live, both as a director and as your Chairman, and I could not have done it without the assistance and support from fellow directors, past and present, as well as from the Management team. I will miss the fellowship of all involved - but probably not the concurrent responsibilities.

I do hope that as many of you as possible will be able to come to the AGM and take the opportunity to meet your Board and senior Management. If you cannot attend in person do ensure that you vote in the election of two new directors as they will be *your* representatives.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Harding', with a horizontal line underneath.

Richard Harding
Chairman