

London Yard Management Company Limited
Registered No. 01768481

Minutes of Annual General Meeting
Held on 19 November 2014
At Island House Community Centre, Isle of Dogs, London E14

Directors Present:

Ujas Patel, Chair (UP)
Geoff Roynon (GR)
Jenni Kurinczuk (JK)

Jon Stanton (JS)
Claire Easley (CE)
Deepak Rai (DR)

In Attendance

Mark Plunkett (MP) and Hooman Vahabi (HV) from Parc Properties Ltd
Nigel Wilson (NW) and Kevin Risk from Wilson Stevens

Shareholders present: See attendance list attached

Introduction

UP introduced himself and members of the board, attendees from Parc and Accountants and Auditors.

Notes from the floor

1. Minutes of the previous AGM of 6th February 2014

Clive Hawkes (CH) and Teresa Priest (TP) said that their comments were misrepresented in these minutes. UP explained these are read and approved by the Board shortly after the meeting. After some discussion it was agreed that:

- a) The minutes from the present meeting would be circulated as soon as possible to all attendees (within 7 days if feasible) to give everyone the opportunity to comment before final approval of the board and publishing on the website.
- b) These minutes should be less detailed and more in the style of recording the subject of the discussions, actions arising, questions and decisions made.

There was agreement in the room with no objections. Due to the decreased content, CE asked that if anyone specifically wanted anything discussed to be minuted, they should make this clear to the minute taker to ensure it is recorded.

2. The Directors' Report and Accounts for year to 31 March 2014

NW introduced himself and spoke through the company accounts detailed in AGM pack.

It was clarified that both freeholders and leaseholders are shareholders.

There was a discussion around the £55,000 government grant road maintenance fund and it was confirmed this fund was for Amsterdam Road running from Manchester Road to the slipway. Simon Hollingworth (SH) advised this was shown in Brown on the leases.

The original fund has been ring-fenced in a separate account and with interest is now £78k. CH suggested a higher interest account, but UP advised this had been considered previously and was decided against as this would attract more risk, would lock the money in and we would be unable to use it in the case of any emergency.

It was suggested that it would be useful to note the total value of this fund, including interest, on the accounts. NW said it is not statutory but if required that can be done. This will be considered by the board.

CH mentioned that £97k was misallocated once. NW advised that that was many years ago and there is no chance it can happen again with the way the accounts are set up now.

CH implored the board to think very carefully before spending the road fund money which should be seen as sacrosanct and kept for an emergency because we have no other free money. JS advised that subsidence of the road may justify expenditure from that fund. Following a discussion, this was taken offline and confirmed the board would consider the request.

CH asked if it was necessary to pay the accountants to attend the meeting when the figures seemed so straight forward? Historically the accounts were quite complicated and required interpretation. The work put into clarifying and simplifying the accounts may render the Accountants' presence redundant in future. No decision was made but it was confirmed the board will reconsider for the next AGM.

SH asked what is the purpose of collection of ground rent? It is an accumulation of cash reserve to strengthen the company's financial position. It was advised the board may need to look at this in future, however no commitment was made to do this in the short term.

UP asked on behalf of another shareholder, are there issues around the accountants and auditors being under the same umbrella company? NW said that there is a code of ethics that both companies abide by. KR and HV of Parc do the accounts and they are reviewed by the auditors independently of anybody who worked on their preparation.

CH asked how much their fee was and NW advised £10,750 (£4,250 for preparation of the Service Charge Accounts, £6,000 for the Audit and £500 for Freehold accounts – does not include VAT). NW advised that the fees have reduced from £12,000 last year.

3. Reappointment of accountants and auditors.

Shareholders were asked to mark their voting papers.

4. Directors' Overview

Ujas Patel expanded on the Directors' Report included in the AGM Notice with good and bad news slides.

Financial – Service charge levels are now smoothing out as we have 3 years of closely monitored expenditure history. We are in a better position to avoid increases over the short to medium term, with the exception being out of plan emergency works. Extremely wet weather caused larger than expected repairs of the block rooflines and this will be factored into next year's budget.

Legal - Potential threat of legal action from one leaseholder and the legal budget would need to increase to cover costs as indicated by our solicitors and agents. We will immediately alert those impacted financially if this materialises.

In addition, the obligation on LYMC to act on the Block 3a commercial unit's breach of Conditions of Use is no longer necessary because Tower Hamlets Council has served a notice on the unit. A shareholder asked for the name of the unit and was told Mem Saheb.

Debt Management - There was an enquiry about the debtor's figures for the three months since 1st September but these figures were not available. It was reported that the Solicitors were very impressed with low level and 60% of owners now pay in advance of the due date.

Garages – There has been improvement in the ownership and collection of ground rent from garages in the current financial year. Many garages seem to be owned in direct contravention of the leases by people not known to LYMC and not owners of LYMC property. Legally we are able to collect ground rent of up to 6 years. The other issue is with garages that are not integrated into the blocks as no service charge has been collected. The garages are showing their age and are in need of maintenance. This will be a priority for the board in 2015.

External works – Block construction issues remain and may have significant impact longer term financially as we could see further problems. Expecting more wet weather which can cause a repeat of problems in recent years.

Major Works Plan – The 25 year plan from 2010 showing actual against budget prompted a question about its accuracy given that there were differentials of 167% and 207%. Early estimates in 2010 were insufficient but based on more recent works data can be more accurately projected.

There was question on payment for replacement of the light in Amsterdam Road that was knocked down by a truck and it was confirmed this was paid for by the insurance claim.

It was advised that replacing all the lighting with LED fittings is being considered by Parc and the Board.

The issue of surplus money in the major works plan was discussed (note: this is no longer called the 25 year plan). UP confirmed he had spent a significant amount of time looking at this. The plan is a rolling plan and not just for 25 years, this is reviewed regularly and will continue indefinitely. At any point in time, we are collecting for future works in the hope that service charges will remain at a constant level. There had been previous questions regarding just collecting prior to works, however we need to follow the lease guidelines and this is not acceptable.

Sales – Relatively huge increases within the London Market. We canvassed out to recent sellers and buyers. All reported positive reviews and the development is perceived as being well managed and run and service charges are reasonable. Prices achieved have been excellent and compare well to our peers, Millennium Drive in particular.

UP concluded his overview and asked the floor for Questions.

Questions:

There was a discussion around garages and how we plan to find owners and if we do not, will they just get more and more tatty? It was confirmed that we may need to use the service charge from the property associated with the garage to maintain. There have been many attempts made over several years, including posting notices, solicitors' enquiries and land registry search but these have not been as successful as we would have hoped.

The garages cannot be repossessed without knowing who owns them and although as a shareholder pointed out, draconian measures should be allowed due to the threat of terrorists, it is illegal to break into them without some evidence of wrongdoing.

The board continues to ask for public knowledge via the website and newsletter. SH advised that his garage was listed but he is a known owner. UP agreed that the Board will be focussing on this in 2015 and will be reviewing the list.

CH advised that many of the garages are also running fridges / freezers and other electrical equipment for which they are not being charged. It was confirmed this would be only in the case of integrated garages where owners are known. He advised that they have meters installed and in the interests of time, would e-mail separately on this issue.

HOUSEKEEPING - Several shareholders commented on the standard of cleaning and repairs in communal areas not being up to standard. Mark Plunkett asked that specific complaints be emailed to him and that caretaking carry out internal repairs in the winter when they are unable to work outside. The cleaning has deteriorated in areas where lift works are creating dust and dirt, as well as more traffic on the stairs. Parc agreed to review the entire development, especially those buildings with works being carried out.

BIKE STORAGE – The bike store is full and the board has looked at alternative means of storage, but costs seem prohibitive. It was suggested that a lifting mechanism could store bikes near the ceiling of the store (as at Kings Cross) but again that is expensive. A number of bikes appear to be unused but this cannot be confirmed and if removed they will have to be stored somewhere until they can be disposed of.

Appointment of Directors

Directors standing for re-election Jon Stanton and Geoff Roynon and new directors Claire Easley, Jenni Kurinczuk and Deepak Rai spoke of their commitment to London Yard and what they could offer to ensure that the development continued to uphold and improve the high standards already achieved.

CH pointed out that Jon Stanton's directorship appeared to be terminated at Companies House and MP explained this was because his name had been entered twice in error and one had to be terminated.

Proposal of amphibious craft to traverse Amsterdam Road

There was extensive discussion and questions in the room before the vote for or against on continuing investigation.

The point of considering a commercial venture was to bring revenue into London Yard.

RGI the craft company plan to run year round during daylight hours from 10am to 6pm, with two per hour at peak times 11am to 3pm.

Safety - concern for children playing on the beach and slipway.

The craft will not stop in Amsterdam Road and will cover the route from Manchester Road to the slipway in 37 seconds. Entry to the water is incredibly slow and creates little or no wash.

There was some debate as to how noisy and heavy the vehicles are. The Board have been advised that the craft is diesel driven and makes no more noise than delivery lorries; it is about the same weight (approx. 7 tons). Microphones will be silent while on the development. There would be no noise emptying ballast.

It was suggested that if the vehicle is seen, it could put off a potential purchaser or decrease the value. It was suggested that Jenni Kurinczuk could carry out a risk assessment.

Would the craft restrict parking? No because it doesn't stop and goes through in 37 seconds. It is slim enough to get through the barrier.

Entry onto the Estate at school run time could be difficult as people double park. It was also suggested that the Board could consider a one way system on Amsterdam Road.

It was advised we need to pay tax on the £3,000 income received which would mean around £2,000 pa. Some shareholders thought that that was not enough. The Board had asked that the craft company RGI pay maintenance for that portion of road but they declined. There are three other routes that RGI could use so we are not in a particularly strong position to negotiate.

It was suggested that the scheme would raise the profile of London Yard and be of PR value.

It was confirmed that the meeting did not have enough information to make the decision for or against but the vote is only on whether to go to the next stage of discussion with RGI or not. If a contract were entered into it would be for one year and then reviewed.

Counting of the votes:

The votes were briefly counted in the room. It was advised that the votes for the Amphibious Tour would need to be confirmed after adding proxy votes. The final votes are as detailed below.

Item:	For	Against	Withheld
Minutes of AGM held 6 Feb 2014	36	5	4
Re-appointment of Accountants and Auditors	37	7	1
Directors standing for Re-Election:			
Geoff Roynon	40	5	0
Jon Stanton	40	5	0
Co-opted Directors standing for Election:			
Claire Easley	45	0	0
Jenni Kurinczuk	40	0	5
Deepak Rai	40	0	5
Amphibious Tours	20	15	10

Any Other Business

London Yard has been approached by a local school as their classrooms are to be rebuilt in the coming year and have requested erecting portacabins, 3 high in the car park behind Mem Saheb . They would bus children and teachers in and out and pay us £40,000 for the year.

There was a discussion around this and comments made included:

£40,000 is a more attractive figure than £2,000 for the craft proposal
The cabins would block the view of the river from Mem Saheb
Would they block views from the flats above?
Would they leave after a year – yes the contract would stipulate that

It was confirmed the board will investigate further.

Clive Hawkes commented on the marvellous spirit of the meeting.

There being no other business, Ujas Patel thanked everyone for coming and closed the meeting.