

Manor Fields Estate Limited (MFEL)

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Confidential – not to be shared beyond MFEL Leaseholders.

Dear Leaseholders 7 December 2022

Following conclusion of the AGM on Saturday 26 November 2022, the board is sharing with you, the attendee statistics, voting outcomes, and the raised questions and answers.

The AGM started at 10 am and lasted 1 hour 27 minutes.

MFEL Statistics

Number of flats	228
Number of leaseholders	226 (minus 2 staff flats owned by MFEL)
Number of shareholders	215 (there are 11 leaseholders with short leases)

AGM Voting

Total votes cast 114 53% of shareholders

Resolutions	For	Against	Abstentions	Result
To reappoint Engin Harman	110	3	1	Pass 97.35%
To reappoint Clare Morton	111	3	0	Pass 97.37%
To reappoint Graham Houston	56	54	3	Pass 50.91%
To reappoint Deirdre Noonan	68	45	0	Pass 60.18%
To reappoint Venthams	88	15	10	Pass 85.44%
To set auditors remuneration	91	10	12	Pass 90.10%

Where the votes for an individual resolution sum to less than 114, votes were withheld.

Vote casting	Member	Proxy Mandated*	Proxy Discretionary*	Total
In advance	71	10	25	**106**
Live at the AGM	8			**8**
Totals	**79**	**10**	**25**	**114**

** Proxy Mandated is where a shareholder has directed their proxy how to vote and Proxy Discretionary is where they have allowed their proxy the discretion to vote on their behalf. A proxy may be the Chair of the AGM or a designated friend.*

Attendees' Statistics

Registered to attend	51	Including panellists.
Attended	38	(75% of registrations, 18% of shareholders)

Online written questions	1, of which, the following were: -	
Procedural	1	regarding Q&A, Voting and AGM.

On the matter of the procedural questions, one shareholder asked to be able to see the list of all named non-panellist participants in the Zoom Webinar Participants List. As advised at the time, for privacy reasons, the full list would not be visible to participants, only to panellists. Any participant wishing to speak and putting their hand up would be introduced to all by name by the Chair. It remains an important principle of MFEL that any shareholder wishing to participate anonymously can do so if they do not wish to speak.

Similarly, shareholder voting remains anonymous through the Mi-Voice facilitated voting platform. Further, the board does not get to see the voting directions of any shareholder.

Advance Q&A

Ahead of the AGM, we received the following questions by email and prepared answers, which were read out at the start of the company finance Q&A section.

1. ***Why did the number of shares reported at companies house change from 216 in March 2022 to 215 in August 2022?***

   1.1. The figures in the accounts for shares issued at the end of each accounting period are correct.

   1.2. A misfiling of data at Companies House in March 2022 was identified by Venthams in the course of preparing the accounts and was corrected in August.

2. ***Why does the MFEL income from lease extensions vary so much?***

   2.1. The lease extension valuation will increase as the remaining lease term reduces.

   2.2. We have 3 scenarios today across 11 flats with remaining terms of 46, 87, and 177 years with potential income ranging from £10,000 to over £150,000.

3. ***Why did MFEL spend £100,000 for the repairs and refurbishment of the two staff flats after flooding when insurance could have covered this?***

   3.1. The quoted figure comes from the company accounts and represents all expenditure on repairs and maintenance for the year.

   3.2. A sum in the region of £52,000 was spent on the staff flats.

   3.3. The damage to the flats could have been claimed on the property insurance, however it was felt that to do so would have a material impact on future insurance premiums at the leaseholders' cost.

   3.4. With insurance excesses being payable, in addition to working with the surveyors to specify changes to the flats (to mitigate future losses) which would not be insured as not simple reinstatement works, it was decided that the company would fund this work.

4. ***Is subsidence [of the garages service charge fund plans] covered by the property insurance?***

   4.1. Subsidence is covered by our property insurance but has many conditions attached. All this will be considered when surveying and planning future works.

5. ***Was an insurance claim made on the directors' insurance in respect of the ICO's official judgement against MFEL?***

   5.1. A leaseholder made a formal complaint against MFEL to the ICO for failing to respond to a data subject access request within the regulatory prescribed time of 30 days.

   5.2. This complaint was initially upheld by the ICO without any consultation with MFEL or request for evidence.

   5.3. When this finding was communicated to MFEL, it responded immediately to the ICO and the leaseholder providing evidence to the contrary.

   5.4. MFEL has not heard from the ICO since.

   5.5. There was therefore no reason for an insurance claim.

6. ***Will MFEL share its "legal advice" with leaseholders to prove it's not "making it up as you go along"?***

   6.1. Legal advice is legally privileged and will not be published.

   6.2. The MFEL board strongly refutes any suggestion that it operates with anything other than complete integrity and with the best interests of all leaseholders.

7. ***Does MFEL insurance protect it from contractors going into administration?***

   7.1. No.

   7.2. There is no insurance in the UK market that provides this type of cover.

<u>Live Q&A during the AGM</u>

8. ***How much has MFEL spent on audited accounts compared to unaudited accounts in recent years?***

   8.1. For the year ending 31 March 2021, the cost of MFEL company accounts preparation was £9,500 + VAT, which was reduced to £7,000 + VAT for the year ending 31 March 2022.

   8.2. The MFEL company accounts were only audited for the year ending 31 March 2021, at an additional cost of £11,500 + VAT.

   8.3. Corporation tax computations and returns for 31 March 2021 were an additional cost of £750 + VAT, which remained the same cost for 31 March 2022.

9. ***What are the terms of engagement upon which MFEL employs Venthams?***

   9.1. Venthams were engaged to complete the preparation of the company's financial statements and corporation tax at the fees detailed above.

10. ***Will the board meet with a few select shareholders in the new year for more detailed discussion about the estate?***

    10.1. This proposal will be put before the next board meeting, which is in January.

11. Has MFEL failed to comply with company law by not circulating two proposed resolutions submitted to the board by Deirdre and Andrew Noonan on 18 October 2022.

11.1. MFEL has not failed to comply with company law and the board responded in detail to Deirdre and Andrew Noonan on 3 November 2022.

11.2. This response was copied to all shareholders to whom the email request was copied, including the shareholder raising this issue at the AGM.

11.3. Having received the two proposed resolutions at the board meeting, a vote was conducted to understand if members of the board supported their submission to the AGM. The resolutions were defeated by a majority vote.

11.4. Since Deirdre had made it clear that should the board not support submission of these resolutions, she would take these resolutions to a group of shareholders that would support their submission to the AGM, the board was left with no alternative but to send this correspondence to the company's solicitors for their legal opinion.

11.5. We were advised that Section 338 of the Companies Act specifically allows the shareholders of a public company to put forward a resolution for consideration at a forthcoming AGM.

11.6. MFEL is not a public company and therefore had no legal obligation to put these forward.

11.7. In the past, MFEL has taken legal advice and has detailed this advice in the board responses to resolutions where they are invalid or should not be supported. This approach is more costly and time-consuming for all.

11.8. The board, with the full support of Deirdre Noonan, constructed the detailed explanation with legal advice setting out why the proposed resolutions had been rejected.

We reiterate the callout to all resident leaseholders on the estate; please, if you feel you have a valuable contribution you can make toward the running of the estate, we look forward to hearing from you.

Yours sincerely

The board

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