

The Manor Fields Estate Limited

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The Manor Fields Estate Limited 30 April 2024

Dear Shareholders and Leaseholders,

Following conclusion of the AGM on Saturday 27 November 2023, the Board is sharing with you, the attendee statistics, voting outcomes, and the raised questions and answers. The notes below also cover the informal Leaseholder meeting held after the AGM.

Formal minutes for the 2023 AGM have been issued and will be posted on the Manor Fields website.

1. Voting

Manor Fields 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)

No of Votes Cast **69**

Voting Outcomes

		For	Against	Abstain	Result
Resolution 1	To reappoint Khushroo Dastur	64	2	3	Pass (92.7%)
Resolution 2	To reappoint John Robin Dalibor Chrastek	38	29	0	Pass (55.1%)
Resolution 3	To appoint TC Group	57	9	3	Pass (82.6%)
Resolution 4	To set remuneration of	56	10	1	Pass (81.1%)

Where the votes for an individual resolution sum to less than 69, votes were withheld.

Voting Statistics

Vote Cast	Member	By Proxy (*) (Chair)	By Proxy (*) (Individual)	Total
In advance (mi-voice)	33			33
Live at the AGM	31	3	2	36
Total	64	3	2	69

Note (*) – Proxy votes were registered on-line in advance but cast at the AGM.

Live Questions raised during AGM Resolutions

3.1 Resolution 1

No questions raised.

3.2 Resolution 2

No questions raised.

3.3 Resolution 3

Question: *How many companies were invited to tender?*
Response: Four. One of the four companies chose not to respond. Three tender responses were received.

Question: *On what basis were the four companies selected?*
Response: KFH Accounting Director selected the four companies based on their experience and knowledge of the market providing services in scope to Estates similar to ours.

Question: *Were Venthams invited to tender?*
Response: Yes Venthams were invited to tender.

Question: *How did the cost of the successful Company compare to Venthams?*
Response: The costs of the successful bidder were significantly lower (more than 40% lower) in comparison to Venthams.

Question: *Were the travel costs for the accountancy firm to travel from Sussex to Manor Fields taken into consideration?*

Response: No. Given most accountancy work is conducted remotely incl. on-line meetings with Manor Fields, it is anticipated to be minimal travel costs associated with this contract. Since COVID majority of companies providing accountancy services are conducting their activities remotely.

4.4 Resolution 4

No questions raised.

Manor Fields Leaseholder Meeting 2023

Directly following the MFEL 2023 AGM the Directors and KFH Senior Property Manager held an informal **Leaseholder meeting** to provide an update on current plans/priorities and to answer any key questions from Leaseholders. Please find below summary notes from the meeting.

Chair (Clare Morton) welcomed all to the leaseholder meeting and in particular welcomed those who were new to Manor Fields.

1. KFH Update

Stephen Britton (KFH Senior Property Manager) introduced himself and **Sara Coelho** (KFH Assistant Property Manager). KFH were appointed as full managing agent on the 1st September this year. Confirmed that they are on site at Manor Fields in twice a week – generally Tuesday and Thursday mornings and happy to meet with leaseholders in person.

2. Directors Update

Chair referred to Directors' update that was communicated in the report issued before the meeting.

Main focus of the Board over the last 6 months has been working on the move to KFH working to a very structured mobilisation plan of activities. Overall the move has gone smoothly and we welcome Stephen and Sara to Manor Fields.

We would to thank all the Estate staff for their hard work and commitment to Manor Fields over the previous year.

We are looking for new Directors and would encourage those who are interested in joining the Board, in particular those who may be new to Manor Fields. Dean Buckner is currently going through the application process to join the Board and introduced himself. Once final checks are complete, we are anticipating he will be appointed early in the new year.

Thank you to Christina Harrison-Flynn, Ann Uden and Graham Houston (Directors who resigned from the Board during the year), and in particular to Graham for his long service to the Estate.

We have changed our insurance provider during the year and are now with Royal & Sun Alliance. An insurance letter will be going out to all leaseholders in early 2024.

Regarding communications in advance of this meeting, we are aware that a small number of shareholders/leaseholders did not receive the paperwork in advance of this meeting, and would encourage you to check that KFH have your latest contact details.

3. Board Priorities

Chair talked through the key priorities of the Board over the next 6 months (as communicated in the report that was issued before the meeting).

Priority 1 - Long Term Plan/Projects
Key priority for Directors is to take a step back and jointly review the long-term plan/projects in conjunction with our KFH Senior Property manager.

Priority 2 - Review of Financial Reporting, Governance and Budget Preparation
During the month of January we will be working with Wendy South and the KFH Finance team to review the financial reporting, governance, coding structure and budget preparation process and associated timetable.

Priority 3 - Lifts project
The project to overhaul and refurbish our aged lifts on a phased basis is proceeding. The first 2 lifts will be upgraded in early 2024 and then we will be initiating the next phase of the lifts project by priority order in early 2024.

Priority 4 - Sustainability – Review Baseline Data to inform interim targets
As a Board we are very much committed to Manor Fields being an energy efficient Estate. The data collection (as a baseline) has recently been completed and the Board will be reviewing the results and recommendations. This report will inform our long-term planning for the Estate with the overall objective of adding value to the Estate and reducing costs for the residents.

Priority 5 – Garages
We will be reviewing the Board policy and associated communications for the sale, purchase and rental of garages so as to give more clarity and transparency to the process for each. We will also conduct an audit of all garages.

Priority 6 - Review of Legal Services/Licence to Alter Arrangements
Legal services are currently provided to both the Estate and individual leaseholders (on purchase or sale) by Gregsons. We will be reviewing the legal services, and associated costs and current licence to alter arrangements.

Priority 7 - Mid-Year Leaseholder Meeting – May 2024
We are planning to hold a mid-year leaseholder meeting in May 2024 to update leaseholders on progress on the priority activities in the 6 months prior.

4. Questions raised at the Leaseholder meeting and summary of response (not in sequence)

4.1 Estate Office Opening Hours

Question: *Will Directors/KFH be reviewing the Estate Office opening hours given the current lunchtime closure between 1pm and 2pm?*

Response: Yes confirmed that the Estate Office opening hours will be reviewed.

(Note: Estate Office opening hours updated to 8am to 5pm Monday to Friday from 02 Jan 2024).

4.2 Defibrillator

Question: *Why has the Defibrillator been removed? Please can it be re-instated urgently.*

Response: The defibrillator is being relocated to a new location at the back of the Estate Office by the end of November 2023. The Board had approved for the equipment to be installed for use by the Estate (and not for public access). A communication with guidance on how to use the defibrillator will be sent out in December.

4.3 Surveyors

Question: *Given feedback from a number of leaseholders on the surveyors for the last phase of major works for Bede and Keble, will Directors be reviewing use of Albrights surveyors on the Estate?*

Response: Yes. Confirmed that we have already ceased the weekly retainer for Albrights as of the end of October 2023. Albrights will be overseeing the 12-month review of the complete works for last phase of works (as contracted). With support from KFH, we will be reviewing alternative options for surveyors in the first half of 2024.

4.4 Variance on Major Works Phase 2 (2019)

Phase 2 works were carried out in 2019 and covered Balliol House, Girton House, Glenalmond House, Harvard House, Selwyn House & Estate Office.

Question: *We are still waiting for an explanation for the **£881,000** overspend on the first two phases of the cyclical refurbishment, in particular the Directors' unsubstantiated bill for **£314,044** relating to "oak cills and mullions".*

Response: The Board recognises the strength of leaseholders concerns' associated with this significant overspend on Phase 2 works and are taking this matter extremely seriously as a priority. We are investigating the matter thoroughly by analysing the project documentation for all Phases in attempt to piece together how leaseholders' money was spent. From the review that we have done so far (as at April '24), it appears that the company's records are incomplete. Where we have identified that there are documents missing, we are approaching the supervising surveyors to address those gaps. If necessary, we are prepared to consider commissioning a firm of quantity surveyors to ensure that we have the complete picture of how your money was spent, for example where cills have been replaced or repaired with filler. Our primary concern is to understand how and why the overspend occurred so that we can avoid similar occurrence on future major projects. Your Board, supported by KFH, is fully committed to strict cost control for all new major works going forward. We recognise that we are responsible for spending your money prudently and that we, as your Directors, are accountable to you.

4.5 Planting of Trees close to Buildings

Question: *With regard to the two Yew trees within four metres of 25-32 Bede House, we have survived 24 years without any trees adjacent to the building, and are surprised these toxic trees were planted without any consultation with the residents of our block. The standard acceptable*

distance for insurance providers is for trees to be at least 10m away from the building. Have the building's insurers visited the Estate, and what is their view on this matter?

Response: Our insurers have confirmed that the trees planted on the Estate are not impacting our insurance coverage.

4.6 Communal Front Doors

Question: *Please note that our front doors are also very dirty. What is the reason for this?*

Response: KFH confirmed that a pilot has been done earlier in 2023 to renovate 2 communal doors, and there will be a project during 2024 to improve all the communal front doors.

4.7 Insurers

Question: *The last set of Lessor's Accounts y/e 31 March 2023 state that our insurers are Aviva, with our brokers being Tysers. Stephen Britton has now told me that we are insured with Royal & Sun Alliance (RSA) When did this arrangement change, and does it account for the significant rise in our buildings insurance premium which has risen from **£51,769** y/e 2022 to **£75,158** which is a rise of **£23,389**?*

Response: Our insurance arrangements changed on the 01 April 2023 with the move to Royal & Sun Alliance as advised by our insurance brokers. The policy is available on the Manor Fields website. Property Owners / Buildings Insurance in 2022 was £61,748.50 and is now £63,070.99 in 2024, an increase of 2% since 2022.

Policy Premiums (excluding IPT)

Year	Property Owners	Terrorism	Engineering & Inspection	Personal Accident	Management Liability (incl D&O)	Excess Liability	Total	% Change
2024	£63,070.99	£21,720.00	£5,588.48	£1,114.76	£955.84	£379.50	**£92,829.57**	**6.7%**
2023	£59,950.00	£19,168.00	£5,333.54	£1,200.00	£955.84	£398.08	**£87,005.46**	**-0.5%**
2022	£61,748.50	£18,000.00	£5,090.36	£1,100.00	£1,179.00	£346.15	**£87,464.01**	**22%**
2021	£40,865.56	£22,700.00	£4,858.39	£954.93	£954.93	£1,178.10	**£71,511.91**	**8.8%**
2020	£35,978.82	£22,325.00	£4,637.16	£868.12	£868.12	£1,071.00	**£65,748.22**	

We have seen an increase in Property owners & terrorism insurance premiums as the insurance market has experienced the most testing period since the aftermath of 9/11 with all insurers impacted by:

- various weather-related disasters,
- the effects of COVID,
- changes to liability compensation payments,
- massive increase in professional indemnity and directors & officers liability claims
- other legal liabilities and general claims inflation.
- Grenfell disaster continues to massively hit the property insurance market for residential blocks with all insurers increasing their rates and reducing their capacity.

The Property owner's insurance has also increased due to 2.1% increase in building valuation (see below)

Property Owners

Year	Buildings Declared Value	Buildings Sum Insured	Standard Excess	Escape of Water Excess	Subsidence Excess
2024	£108,757,800	£141,385,140	£500	£1,500	£1,000
2023	£106,500,000	£138,450,000	£500	£1,500	£1,000
2022	£98,574,073	£128,146,295	£500	£1,500	£1,000
2021	£90,851,681	£118,107,185	£350	£750	£1,000
2020	£86,298,508	£112,188,060	£350	£750	£1,000

4.8 Grounds lighting

Question : *Is it not possible to continue with orange, presumably, sodium lighting? They create such a beautiful ambience and actually provide more light as they diffuse light in a way that the harsher, presumably, LED lights do not. The harsher lights give a glare and floodlight effect.*
It is appreciated that energy saving may be involved but what is the saving and could that not be made elsewhere and still preserve the unique "feel" of Manor Fields in this particular aspect?
Just asking the question and as always happy for majority to decide.

Response: The cost of the lighting of the grounds on the estate is a significant cost. The cost of the new LED lamp and the old SON lamp is comparable; but the LED lamp has a slightly longer life. However, the difference in running cost between the 90W SON and the 18W LED lamp is significant. For every 100 light fittings lit, for an average across the year of 12 hours a day, the difference in cost at a rate of 34p per kW is in excess of £10,000 p.a.
In the UK, the phased changes will occur between 1st September 2023 and 1st February 2024. After these dates, all T5, T8 and compact fluorescent lamps will be banned from sale, however existing stocks from suppliers of these lamps will still be available until they are exhausted. Other types of lamps have been or will be banned in the future in favour of LED lower energy lamps. The colour temperature of the lamps is measured in Kelvin, the lower the number the warmer the colour, as well as the orange from the sodium the colour temperature is 2700K, the LED lamps are warm white 3000K, so slightly more towards the blue end of the spectrum. The council street lighting is likely to be between 3000K and 4000K. We are replacing lamps only when they fail, so it may be a little while yet until they are all the same

5. Summary of Questions sent beforehand and not responded to in the meeting

5.1 Legal Services / Gregsons

Question: *Will Directors be reviewing the legal services provided by Gregsons?*

Response: Yes. We will start that review in the first half of 2024.

5.2 Change of MFEL Articles

Question: *When/how will Articles be amended to*
a) provide that a Director is ineligible to seek re-election at the next immediate opportunity after they have served two consecutive terms?
b) remove the residency provision. Thus permitting all shareholders to be eligible to be appointed?
Ideally for all shareholders to have the opportunity to provide input into these suggested amendments and let the majority decide.

Response: Board does not have any current plans to change the Company's Articles, but the Board is open to consider amendments at future AGMs.

5.3 Tendering as default Position

Question: *It is crucial that tendering is the default position at MF regarding suppliers and welcomed that tendering has recently taken place for services. This is vital for transparency, value and culture fit. Why then was the most key and high value contract of appointing a managing agent for Manor Fields not put to tender?*

Response: We agree that the process for the award of contracts is an important part of achieving value for money for leaseholders, and obviously that doesn't necessarily mean selecting the cheapest bid. With regard to the appointment of KFH, their knowledge of the estate and its workings was a significant factor in the major shift in the management of the estate from in-house management to external management by a professional firm with technical know-how. KFH's prices compared favorably with other firms who have little/no knowledge of the estate. So, we opted for the company who already know the estate well. We keep KFH's performance under regular review. In the future we will be carrying out a full procurement exercise to tender the contract for successive years.

5.4 Profits on lease extensions

Question: *I have gone back through the accounts as shown on Companies House, where since 1998 there has been a total profit of* ***£816,956****. In 1998 there were 196 shares allocated. This sum accounts for 20 lease extensions during that period.*

What has the money been spent on? Where has all the previous income accrued been spent? These funds belong to the shareholders, and should have been invested in a high interest account for a rainy day.

Response: Lease extensions have been handled exclusively by Graham Houston for many years. The company's records on past lease extensions are incomplete, however the Company has reported the amount of net profit for each year in the Company accounts. Legal costs are paid by the leaseholder. The balance in the Company's HSBC account was £c422k (March 2023) which comprised profit from lease extensions and other sources of company revenue. The difference going back to 1998, has been spent on renovations, repairs and maintenance of company assets. legal & accounting fees and other smaller costs associated with running the company.

5.6 Brickwork / Damp

Question:

- *There are many issues of damp entering flats via external walls. What assessments have been done on the bricks over the last few years?*
- *What was done to maintain the bricks during the recent round of works at Gonville, Bede & Keble and how much did it cost?*
- *What is in the plan for overall brick replacement and maintenance and how much will it cost?*
- *How much are we spending on individual flat damp issues per annum?*
- *How much did we spend on individual flat damp issues in 2022/23?*
- *Do we have rising damp on the estate? If so, what are we doing about it and how much will it cost?*

Response: We are very much aware that a number of leaseholders have experienced damp issues and will be carrying out an assessment during 2024 of damp/brickwork in conjunction with our new surveyors once appointed. Should they advise obtaining more specialist advice we will engage an appropriate specialist.

5.7 Audit

Question: *Various leaseholders have requested an independent audit of the accounts over the years, and this has been turned down. Whether the audit is a legal requirement, expensive or not is*

a moot point: it is certainly best practice and has been requested by various Leaseholders as a result of lack of transparency on expenses, budgeting etc. and, as a result of that, the Directors should not oppose it, but rather encourage it.

Response: The Trust Deed does indeed state the requirement for an audit but Financial Reporting Standards since then have overridden the Trust Deed and have removed the burden of an audit from small companies such as MFEL. We also raised the point with TC Group (our new accountants) and they agreed with us that the concerns that the individuals who were requesting an audit have would likely not be addressed by an audit. The directors would like to assure all leaseholders that we are committed to robust financial management going forward and to ensuring our service charge is value for money.

5.8 Overseas Landlords – opportunity to vote at AGM

Question: *I am asking the Directors to provide overseas landlords the opportunity to vote and interact during the AGM as we are entitled to equal representation. If the Directors are worried about costs, Leaseholders can be polled quickly and effectively at a later stage to approve the relevant expenditure via Mi-Voice.*

Response: Those who are based overseas were given the opportunity to vote in advance at the AGM via Mi-Voice. In terms of interaction, the Board will be reviewing the AGM arrangements for next year, noting there is no legal requirement to provide remote access for AGM attendance.

5.9 Overseas Landlords – Short Lets

Question: *Manor Fields has a relatively large set of Leaseholders who are overseas landlords who are only allowed only spend limited amounts of time in the UK and/or highly mobile, dual or dual + residence Leaseholders who are receiving poor value for money because of rules about short letting that were set at a time when high mobility was rare. I am therefore asking the Directors to review rules about short-letting for overseas Landlords (allowing 6-month, 3-month or 1-month contracts, for instance), so that they can enjoy their flats. I understand this needs to be balanced with residents' rights for quiet enjoyment of their flats, but if carefully managed and monitored (including installing noise monitors) this should not pose issues. Other Mansion Blocks in Putney allow short lets.*

Response: Board does not currently have any plans to review the rules for short lets.

5.10 Transparency of Expenses

Question: *What is KFH doing to increase transparency on expenses (<u>full transparency</u> - down to individual lines of expenditure, allocation to what projects, actual versus budgets, project status) and share this information with Leaseholders in real time via a secure platform?*

Response: In conjunction with Directors KFH actively reviewing the financial processes, controls and financial reporting arrangements for the new financial year.

5.11 Communication with Leaseholders

Question: *What else is KFH doing to improve communication with Leaseholders and their involvement?*

Response: KFH will be reviewing approach to communication to leaseholders, including hosting 6 monthly leaseholder calls, ‘drop-ins’ and newsletter etc.

5.12. Administration Costs

Question: *I note that **£54,623** has been spent on "Administration Costs". This includes "Computer costs" of **£825**. I note that two laptops have already been bought out of leaseholders' funds in a previous year. Venthams have been paid **£9,990** for a report, and **£3,956** spent on legal and professional costs. How much legal advice is required to hold the AGM? For the year ending 31*

*March 2022, a staggering **£145,821** was spent on admin costs, (including **£100,275** on repairs and maintenance) which virtually wiped out all the profits gained.*

*Similarly, the Lessors and Trustees accounts show income of **£1,788,000** with outgoings of **£1,725,642** leaving a surplus of **£62,358**.*

This uncontrolled spending has failed to build up a significant reserve, which is required for all the works to be done, to prevent the Estate falling into chronic disrepair.

Response: The Reserve with the Trustee stood at **£1.1m** (as at March2023) in addition to a bank balance of £692k. For the financial year 2019/20 inadequate financial controls were highlighted in Venthams management letter to the Board. Much of the work that KFH has been involved in helping the Board with since starting on the Estate has been to introduce processes and procedures designed to improve the Estate's financial management including the preparation of the annual budget with input from surveyors regarding the needs of our buildings.

Your Board is absolutely committed to having much more robust procedures for the award of contracts and for supervising expenditure more closely after contracts have been awarded.

Kind regards,

The Directors