

Rivermead Court Limited (RCL) AGM

Tuesday 21st September 2021

Directors Present

Mr T Hackett (Chair) (TEH)
Lady Fowler (FF)
Mr K Bedell-Pearce (KBP)

Mr P Wentzel (PJW)
Mr M Stevens (MS)
Mr P Green (PG)

In attendance:

Mrs A Isaacs (AMI)
Mr A Wigmore (AW)

Mr I Gilbert (IG)
Mr J Smith (JS)

1. Apologies and approval of the minutes of the previous meeting of 3rd September 2020

- The minutes of the last meeting were approved
- Board members apologies were received from Mrs D Richards and Mr T Soane

2. Introduction by the Chair, Tom Hackett

- The Chair welcomed shareholders and guest attendees and noted that the pandemic restrictions had been lifted so that the meeting could be held in person instead of online.
- A requirement announced overnight had come for planning permission to be applied for to install the pipework; that decision may lead to a delay in the project start but should not impact the lease extension proposals.
- The meeting was reminded that even faced with the Pandemic, RC was able to maintain staff cover without systematic recourse to outside assistance, a sign of the porters' and cleaning teams' loyalty.
- While the annual review of Faraday Property Management (FPM) pointed to some concerns, the Board believed on balance the outcome was positive and that the current arrangements should remain in place, subject to updating the contract. Ian Gilbert (IG) in particular should be thanked for his support in these unique circumstances. Thanks were extended to Anne Isaacs, Estate Manager.
- Redecoration of the West Block was drawing to a close although there was some concern about sourcing the slates. As there was also some delay to fit chimney flues, caused by labour shortage, an extension of 6 weeks was requested by the contractor.
- Secret Garden renovations complemented by the Garden Committee, whilst James Sheen continued to maintain the rest of the Garden.
- Blue Peak, an accounting advisory firm, has taken over managing the accounts with Andrew Wigmore acting as Company Treasurer.
- This year the Board underwent one change due to the sudden death of Mike Cave; Peter Wentzel who worked with Mike Cave on the Estates Committee has taken over as its Chair.
- The Chair thanked everyone who serves on the various Board sub-committees during the past year, the functioning of Rivermead Court depends on willingness to volunteer

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on these committees and take an active part. Leaseholders were invited to join one of these committees to maintain or improve the Rivermead Court community.

3. Presentation by the Chairman of the Finance Committee, Keith Bedell-Pearce and replies to questions.

➤ 10-year Finance Committee Agenda

The pipework project required the timing of the receipts of the lease extension premiums to coincide with the pipework work.

Blue Peak have restructured the accounts to a digital transfer into an accounting system called Xero, considered essential in terms of managing two projects - the pipework and the lease extension. Corporation tax will become payable upon receipts of the lease premiums by the company.

Future challenges will be cost pressures on the Service Charge. Another future challenge is the impact of Climate Change, including, the phasing out of gas fires, the provision of power for electric vehicles, and possible infrastructure changes regarding insulation. Funds will have to be held to deal with such contingencies. The Board has set up a committee to consider the impact of Climate Change.

➤ Service charge and Reserve Fund overview

This is a balance to be struck between the quality and cost of living in RC. In 2020, the insurance premiums were £125,000; the budget for 2021 saw an increase of £98,000 to £223,000, a 78% increase in one year. An alternative insurance broker is being consulted on how to mitigate insurance cost in a hardening market. Further increases are expected in energy costs (e.g. gas budget for 2020 £110,000, gas renewal July 2021 increased to £167,000).

The Reserve Fund assists with both exceptional and unexpected expenditure; it also helps maintain the value of flats. There is a 12-year rolling plan for expected expenditure from the Reserve Fund.

4. Rivermead Court Ltd Financials

There are two main elements to the financials – Current Assets are the investment portfolio, and the Fixed Assets are garages, flats and storerooms, all recorded at market value, together representing assets of around £5m.

Income – there are two areas of recurring income, dividends and gains from investment portfolio and income from rents (flats, garages, and storerooms). There will be income from the lease premiums which is a one-time event.

The investment portfolio has market value of around £2.2m of which £200,000 is in cash to fund on temporary basis for early expenditure on the pipework. The investment portfolio is on discretionary management with Canaccord.

Preparing for the future:-

- There are target outcomes of high-quality service through rigorous financial management
- Continuing focus on the Service Charge costs
- Value for money from service providers
- Strong reserve funds for recurring planned expenditure

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- Investments as a further reserve for future RCL expenditure.

5. Presentation by the Treasurer.

Income from the Service Charge was on budget. Budgeted Service Charge expenditure was £1.28m; ultimately there was a Service Charge deficit of £43k due to two major factors, insurance and extra staff costs due to Covid-related circumstances. Major Works Reserve Fund increased by £566k as West Block external decorations is the only current project.

6. Replies to questions on financial matters.

- Although the near-term inflow of funds will be substantial, the net amount at any one time will be relatively small as resources will be required for the significant capital expenditure. Hence, little risk due to size of deposits placed with a single institution.
- Investments are managed on the basis of total return on a discretionary basis with a moderate risk level.
- Bank charges will be examined.
- Awaiting for the Government to give leadership on costs of reaching net zero. The Board is engaging an electrical consultant on providing electric vehicle charging on site, although the power supply capacity to provide electric vehicle charging is limited.
- Presentation by Director and Member of the Pipework Committee, Michael Stevens and replies to questions.
 - MS gave brief background, starting with proving that the pipework was in disrepair. Quantity surveyors and Ramboll, a Danish engineering design company, were appointed. A ballot on lease changes was carried out, yielding 90% votes in favour. The Tribunal approved the lease variation. The design is complete, tender process nearly complete; contract price has been approved by the Board. Quantity surveyor will start dialogue with the contractor.
 - There will be work in the boiler house, the tunnels and work in each lightwell as the pipes will run up to each backdoor. Construction work is estimated to take 12 months. A programme will be published in due course.
 - When should I connect to the new system? Initially 15-year transition period was set at the start of this project, now leaseholders have until 2034. 58 flats have been converted (“future-proofed”) and 22 flats have HIU’s working.
 - Expected benefits are:
 - i. RC will have an up-to-date heating and water system which will be of benefit to property values.
 - ii. Heating in your flat will be under your direct control.
 - iii. Residents will be charged for the heat that is used.
 - iv. Domestic water system will be independent, so the hygiene risk is removed.
 - v. We will be better equipped to deal with the Climate Emergency, although heat source will have to be changed
 - We remain confident that we will get planning permission but not sure how long it will take to get sorted. It was felt that there may be a 3-month delay but that did not require delaying the lease extension.

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7. Questions on the Pipework Project

- Mike Dudgeon (111) is there any risk with this delay that we may lose our preferred contractor? Answer, MS does not have any concerns that we will lose the contractor as they are keen.
- Jen Tatham (113) where will the pipes run in the centre block answer? Answer – MS - they will run up the back stairwell along with the other pipes although there will be a slight diversion of the dry riser.
- Jen Tatham (113) - Having watched the roofing of the of the West Block, was irritated that no insulation was installed. Answer – PW outlined that there is a project underway, quotes are being sought, no mention can be made now regarding who will bear the cost.
- Carol Fergusson (101) on the question of planning permission how feasible is it to bury the pipes inside the wall? - Answer MS explained that this was an administrative point, and we need to build the case to manage the solution we currently have.
- Harry Charnaud (175), will the water be metered? Answer - residents can request a meter be fitted from Thames Water – a location in the pipework has been allocated to accommodate the meter.
- Marion Petropolis (164) – water pressure is not good on the 7th floor will pumps be fitted? Answer pumps are within the design. Cold water will be pumped from West Block, everyone will have equal pressure.
- Christopher Osborne (115) do you have any guidance on the costs to connect to the new system. Answer we all have to relay the pipes within the flat to and from the HIU circa £12k. Answer - There is an option to run the pipes around the walls.
- David Bruder (167) lease extension will go ahead despite the planning, in the event of refusal, will there be any devastating consequences relating to tax? Answer, AW outlined that there had been a lot of forecasting that has been done if it is delayed 6 or 9 months there will be no impact. If it becomes clear that the income and expenditure does not line up, Blue Peak will be managing this to ensure that it does not occur.
- Michael Kightley (211) There was of pumping from the river is there anything planned to do this? Answer no further investigation has been taken at this time.

8. Lease Extension

An update on the Lease Extension by Director and Company Secretary, Fiona Fowler and replies to questions

- Residents were issued with the newsletter, there will be further communication - a pack comprising 4 documents - introductory letter from the Chairman, the offer letter which will set out each individual premium, a letter from Angus Fanshaw setting out how the premium was reached, and an acceptance form which must be sent to Bishop & Sewell. It can be you or your solicitor who returns it. It will be sent in hard copy and an email will be sent to say ta hard copy should be expected. Some leases have more than one name, but only one name needed. Once the lease falls below 80 years, it will become expensive to extend.
- David Bruder (161) the newsletter noted the offer would be open for one month, but read somewhere that it would be open for 6 months ie spring 2022? Answer,

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it would be for 4 weeks – note there is a difference between acceptance and legal completion. Acceptance is notice of intention.

9. Further Questions

- A change from the present wood sash windows to plastic would require permission from the planning authorities as the Estate is considered a building of merit. Moreover, the capital expenditure for a change would dwarf existing provisions
- In response to a request to review the Estate's policy on dog ownership, possibly by recourse to a referendum, it was noted that most residents who come to RC on the understanding that no dogs would be allowed on the premises would have strong views in favour of maintaining that stance. This is not an assumption as residents do share regularly their views
- In response to a request to make residents' addresses available to other residents, disclosure raised issues of personal privacy. As for a question on voting procedures, it was felt that the size of the electorate didn't justify involving an outside agency.

10. Resolutions

The following resolutions were all passed without objection:

- Approval of the 2020 report and financial statements
- Election of Fiona Fowler as Director
- Election of Peter Green as Director
- Election of Peter Wentzel, seconded by KBP, no objections
- Re-appointment of Wellden Turnbull Limited as auditors and authorisation of the directors to fix their remuneration

The business of the meeting having then concluded, the Chairman closed the meeting.