

South Hermitage Management Company Limited

28 Stones Square, Belle Vue, Shrewsbury SY3 7JA

email: contact@southhermitagemc.com

www.southhermitagemc.com

Minutes of Annual General Meeting

6.30pm, Wednesday 5 April 2023

The Hermitage Centre (rearranged from Belle Vue Methodist Chapel),
Belle Vue Road, Shrewsbury

1. Present

Lois Forrester, Director

Mary Fraser, Director

David Moorcroft, Director / Chair of meeting

Jean Waterman, Director

Kevin O'Reilly, Director, Matthews Block Management

Malwina (Mal) Michalska, Block Manager, Matthews Block Management (attending *via* telephone)

Shareholders

Rachel Armstrong

Pam Bonner

Diana Buckle

Anne Hasnip

John Hodnett

John Lafferty

Hilary Moorcroft

Lewis Moorcroft

Felicity & David Palacio

Pam Watson

Sandra Wheeler

2. Welcome, Housekeeping & Introductions

David Moorcroft opened with a welcome to all attendees, ran through housekeeping essentials and introduced his fellow directors, including new director Lois Forrester. John Hodnett, he reported, had made the decision last month (March 2023) to step down as a director, while Jean Waterman would be retiring at the close of this meeting. Jean had been a director since 2012 and the SHMC's very able treasurer until Nock Deighton and subsequently Matthews had taken over as managing agents. David thanked Jean and said her dedication would be greatly missed along with all the knowledge and experience that she had brought to her rôle.

David went on to introduce Matthews' director Kevin O'Reilly and to explain that, while Malwina Michalska was unable to attend in person, she would be joining the meeting *via* Kevin's mobile phone.

3. Apologies & Proxy Votes

Tom Brown

Jan Childs

James Fraser

Andrew Richards [Proxy: Chair]

South Hermitage Management Company Limited

28 Stones Square, Belle Vue, Shrewsbury SY3 7JA

email: contact@southhermitagemc.com

www.southhermitagemc.com

4. Resolution 1

To approve the Minutes of 2022 AGM (25 March 2022) as a true record of the meeting

Vote: By a show of hands, the minutes were accepted unanimously
Resolution carried

5. Matters Arising

Proposed installation of a bike shelter

Back in 2020, all SHMC shareholders had been asked for their views and, out of the small number of respondents, there had been some enthusiastic support along with a number of objections based upon siting, shared cost and security. As a result, the decision had been taken not to go ahead.

In view of the difficulty of accommodating bikes in the smaller properties (plus the country-wide drive to use bikes rather than cars for short urban journeys), at last year's AGM it had been agreed that the directors would consider this further. However, at this evening's AGM David confirmed that the negative feedback had to be taken into account, and reiterated that the directors felt unable to proceed.

6. Resolution 2

To accept the 2022 Accounts (year end 31 December 2022)

Mal had previously summarised the key points for the meeting (see attached Appendix A). Kevin went through these and gave attendees the opportunity to ask questions.

Income & Expenditure

Income was £25,632, made up largely of the £25,200 service charges. Debt recovery fees, donations and a small amount of interest made up the total.

Key expenses were grounds maintenance, management fees and legal fees. Total expenditure was £21,431. Deducting this sum from the £25,632 income, a transfer of £4,201 had been made into the reserve fund for future upkeep.

Balance sheet

Following the above transfer, the total amount of in the reserve fund has increased from £38,264 on 31/12/2021 to £42,465 on 31/12/2023.

Overall, said Kevin, the SHMC continues to be in good shape financially, with a good level of reserve funds for future repairs/maintenance.

Vote: By a show of hands, the accounts were accepted and the resolution carried.
Jean, in her final duty as a SHMC director, signed off the accounts.

7. Site Report

South Hermitage Management Company Limited

28 Stones Square, Belle Vue, Shrewsbury SY3 7JA

email: contact@southhermitagemc.com

www.southhermitagemc.com

Again Mal had produced a written summary (see attached Appendix B) which Kevin read through. It was agreed by those present that the communal areas were looking, for the most part, well-maintained. The green spaces, under the care of gardener Simon Hawkins, looked attractive, adding to kerb appeal.

8. AOB

Site maintenance

Jan Childs had been unable to attend the meeting but had requested that the following matters regarding site maintenance be discussed:

- Efflorescence on the surface of the bricks on the right-hand-side wall at the site entrance. Jan had said that information on how this can be removed is available at www.azpects.co.uk.
- Restoration of 'BURLINGTON PLACE' recessed stone sign (also affected by efflorescence).
- Parking/number marks have faded and need repainting to delineate parking spaces more clearly.
- Ground moss needs removal. This is apparent across hedge side of parking area at front of Burlington Place, plus the driveway area to Stones Square rear car park.

The directors will at the first opportunity be discussing with Jan these matters and how they will be addressing them.

Roof repairs

A number of queries have arisen regarding who pays for roof work in the case of flats. It was confirmed that, as per lease, the owners of top-floor flats are responsible for maintenance of the roof when deterioration is due to wear and tear. The cost of such remedial work is not covered by the block insurance policy taken out by the landlord: this covers a sudden or unexpected event such as storm damage. However, the differentiation between storm damage and wear and tear is likely to become more debatable as the properties become older.

Ground-floor leaseholders, it was confirmed, are responsible for foundation matters.

Guttering and downpipes

None of the properties are detached, and it was confirmed that cleaning and maintenance of guttering (constituting common parts) remain the responsibility of SHMC. Gutters and drains will require more attention as the properties age, and it is planned to carry out regular inspections in the future.

Block buildings insurance

Diana Buckle voiced the concern of a number of leaseholders regarding last year's steep rise in the cost of the buildings insurance - some 22% up on the previous year's premium. Querying this with the landlord, David had been told that 10.5% of the increase was due to indexation which is applied to the declared value each year to protect against inflation on building materials/labour in the event of a loss. David also learnt that a cheaper premium could have been achieved subject to not more

South Hermitage Management Company Limited

28 Stones Square, Belle Vue, Shrewsbury SY3 7JA

email: contact@southhermitagemc.com

www.southhermitagemc.com

than 15% of the insured properties being sublet. This factor, together with the landlord's commission, would appear to have made up the additional 11.5%.

In good time before renewal is due, David has undertaken to write to the freeholder to ask for a clear breakdown of the costs (including his commission) and the best possible quote. With buildings insurance premiums generally on the increase, it would be reassuring to know that the landlord is fully committed to arranging the best possible deal.

Anne Hasnip also queried what was covered in the block policy. All block insurance matters, said David, are conducted between the landlord and individual leaseholders who are entitled to receive full details of the policy.

Airbnb

It was confirmed that leaseholders are not allowed to rent their properties as a short-term let. This would break the terms of their lease (because they are carrying out a business), and might also invalidate the communal buildings insurance policy.

In conclusion, Kevin again thanked Jean for her many years of service and the enjoyable and very productive working relationship he and Mal had enjoyed with her. On behalf of everyone present, he wished Jean well for the future; this was accompanied by a round of applause. The meeting closed at 7.05pm.

/ Appendix A & Appendix B

South Hermitage Management Company Limited

28 Stones Square, Belle Vue, Shrewsbury SY3 7JA

email: contact@southhermitagemc.com

www.southhermitagemc.com

Appendix A

Summary of accounts at year end 31/12/2022, provided by Mal and gone through by Kevin at the meeting

Everyone should be in receipt of printed copies of South Hermitage service charge accounts posted by Matthews Block Management along with AGM notices.

For those who have a copy with them, may I bring your attention to Page 2, headed Income & Expenditure.

In the financial year Y/E 31/12/2022, the company's total turnover was £25,632. This amount is made up of service charges receivable of £25,200, debt recovery fees of £300, other income £30 (being cash donated by one of the directors from the sale of her paint for external decoration to residents), and bank interest of £102.

The total property and administrative expenses came to a total of £25,632. The main top three expenses in terms of regular upkeep of the estate were grounds maintenance @ £7,486; sundry & legal expenses @ £897, and external lighting @ £746. We will cover in more detail some of these categories, including repairs and maintenance, during the site report to follow after the presentation of the accounts.

After all the expenses were paid out, a positive transfer of £4,201 was made into the reserve fund.

Could you please now turn your attention to Page 3, headed Balance Sheet. This shows the total amount of reserve funds for any major works now amounting to £42,465. This total amount is composed of cash in the bank of £45,150, service charge debtors of £683 which have now been paid, and creditors of £3,368. The creditor's amount breakdown can be seen on Page 4 of the Accounts. It consists of accountancy fee £753; other creditors being shares - £60, and service charges in advance - £2,555. At the bottom of the page, Point 5, you can see that there has been a positive increase of the total amount of reserves from £38,264 on 31/12/2021 to £42,465 on 31/12/22.

South Hermitage Management Company Limited

28 Stones Square, Belle Vue, Shrewsbury SY3 7JA

email: contact@southhermitagemc.com

www.southhermitagemc.com

Appendix B

Site Report 2023 compiled by Mal and read through by Kevin at the meeting

It's been another busy year for the management company and their agents, with a focus on maintenance of South Hermitage communal grounds, health & safety, and repairs and maintenance.

Apart from the usual upkeep of grassed communal areas, shrubbery and hedges, ground maintenance contractor Simon Hawkins proceeded with replacement of the original box hedges planted by the developer in the southeast area of Burlington Place. Due to poor topsoil and rubbles in the ground, these hedges never stood a chance to take off and grow as well as the neighbouring box hedges. The management company therefore decided, with some of you in support, to improve the condition of the soil in these areas and plant new hedges that will certainly (if not already) add that extra kerb appeal to the estate.

To give the new hedging a chance of survival, should we again have to battle heatwaves this summer, we would be very grateful for any help from residents with watering the thirsty young hedges during dry periods.

Also worth noting regarding grounds maintenance in 2022 was a major cut-back of the hedges along the driveway leading to the car park at the back of Stones Square. Beech hedge height reduction was also carried over the dormant season at Burlington Place. These hedges needed pruning to allow more space and access for pedestrians and vehicles.

We would like to express our thanks to Simon for his continued hard work and dedication in keeping the grounds in the best possible shape.

Also in the car park at the back of the Stones Square properties, the directors scheduled painting of the lampposts. The Burlington Place communal gardens benefitted from a new external light and PIR sensor.

In terms of health & safety, the management company carried out inspections of communal electrical installations for both Stones Square and Burlington Place to ensure the electrical system conforms to current government legislation. We are pleased to inform you that the electrical installations passed the test – and that the next testing isn't due until year 2027.

South Hermitage Management Company Limited

28 Stones Square, Belle Vue, Shrewsbury SY3 7JA

email: contact@southhermitagemc.com

www.southhermitagemc.com

Finally, we would like to thank everyone engaged in last year's Christmas tree decorating. It looked wonderful, and I am sure spread a lot of Christmas cheer to all residents and their visitors.