R. Mead Phase 1 (Swindon) Management Company Limited

Minutes of directors' meeting held electronically on 8th February 2022 at 7:00pm via Zoom

Present:

Directors:
D Evans
H Marsden
I O'Regan

In Attendance

Block Management Ltd:
J Morris
T Dellow

1. Apologies
A Drinkwater

2. Update on handover

a) Bank Account
New bank accounts have been opened in the company's name. A current account with Metro Bank and a deposit account with Aldermore Bank. Two directors have been set as a signatory on the Metro account whilst the other two have been set as signatories on the Aldermore account.

b) Debtors
Statements have been provided by the previous managing agent and loaded onto the new managing agents' records.

c) Keys
The managing agent is due to meet the cleaning contractor on site to obtain keys for the blocks.

d) Minor works
Various low-cost minor works across the site will be undertaken such as the removal of snibs so that doors are kept secure and replacement of broken locks. The new managing agent has posted new notices to each communal notice board.

e) Further handover information
Further financial information and documentation is expected to be passed from the previous managing agent shortly.

3. Accounts and Forecast

a) Debtors
A summary of debtors was provided to the meeting as follows:
There are 6 debtors under £1,000 and 4 debtors over £1,000.
The total debtors as of 8th February 2022 is £9,864.03.

b) Accounts
Detailed accounts were produced for the last 5 years and forecasts for the following 5 years.

Service charge schedules
It was noted that the service charge was split into two schedules from 2020 although the lease only requires one maintenance charge which is 1.28% for a two-bedroom flat, it is therefore assumed that the two one-bedroom flats are 0.72% making the total charge 100%.

Debtors
The debtors had been shown net of early service charge payments received by the company until two years ago when they were correctly shown separately.

Pre-payments
Previous accounts to 2020 had been produced on a cash basis which did not account for pre-payments such as insurance paid early for the following financial year. The new managing agent has adjusted the accounts to produce them on an accruals basis which will show costs incurred for the year rather than when payments were made.

Freehold Fund
The lease provides a valuable option for the company to purchase the freehold for 12 times the annual ground rent. The advantage of this opportunity was discussed and agreed by the directors.

The ten-year ground rent review is due to be increased in line with the increase in RPI for the 10 years to 2024. The last increase was in 2014 when ground rent was increased by 37%.

The lease allows for the annual collection of funds to purchase the freehold provided that the amount collected annually is no more than 15% of the total service charge for that year.

The directors agreed that an initial sum of £100 per property be collected for this fund from 2022 and the miscellaneous income received in 2021 be added to the fund as an initial contribution.

It was agreed than a members' meeting be held later in the year to discuss this and agree on future contributions to the fund.

c) Statutory Accounts
It was agreed that the statutory accounts for 2021 will be filed at Companies House to include the service charge accounts as the company is acting as a principal rather than as an agent to the members.

4. Service Charge 2022
The service charge budgets were discussed in detail, and it was agreed that the total service charge collected should be set at £92,600 which is approximately £2,000 or 2% less than the average of those collected in 2020 and 2021.

This service charge level will also allow for improvements to the site over a period time and to increase the reserves by approximately £9,500.

5. A.O.B.
None.

There being no further business the meeting closed at 20:06pm