

EXTRACT FROM
Columbus Point (Management)
Company Ltd

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MEMBERS' MEETING
20 FEBRUARY 2015

WELCOME ALL!

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Why ARE we here?

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On 27 February 2015, Columbus Point (Management) Company Limited (CPMCL) and the WF will finally be handed over by the developers to the Members.

We need to advise the Members of the options that are open to the IDD's and the consequences of their actions.

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The Options

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The IDD's are therefore faced with two options.

1. To accept the directorships and take over the company.

OR

2. Not to accept the directorships leaving the company in limbo.

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If they refuse to become Directors

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If they **do not** accept the directorships:

- CPMCL will go in to limbo with no ability to function

This scenario will impact on the management of the WF including

- ❑ collection of charges and running the feature
- ❑ registration of changes of property ownership

This in turn might affect property transactions

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If they do accept Directorships

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If the IDD's do accept the directorships:

- The company will run normally with the feature being maintained and charges collected.

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If no directors are appointed (1)

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If no new directors are appointed (if the IDD's refuse to become directors)

- Under S154(1) Companies Act 2006, a private company must have at least one director. Although unlikely, the Secretary of State may direct the company to appoint directors

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If no directors are appointed (2)

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The Company could be resurrected

- Directors could be appointed at any time, but it would require that a general meeting be arranged.
- A special resolution would need to be passed requiring 51% of the owners, attending the meeting or voting by proxy, to approve it.
- This is a significant package of work which would have to be carried out by members.
- The costs for preparing and holding this meeting would probably not be covered by CPMCL.

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This could mean (1)

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In practical terms without directors

- CPMCL will be unable to function for the purposes of maintaining and repairing the water feature
- Without this ability, the WF would fall into disrepair
- The managing agents, can only continue to act if they are receiving instructions from the directors
- Without instructions they would be unable to use the monies, held by CPMCL, and would need to seek legal instructions on what to do with it

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This could mean (2)

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In practical terms without directors

- Documents relating to this account will be held by Clarke Willmott for six months after which the Secretary of State would be asked to direct on how to proceed.
- If the company fails to file annual returns and accounts, due to there being no directors, the company will be dissolved and struck off the Register of Companies
- The property of the company would pass to the Crown, subject to any application that might subsequently be made to restore it to the Register of Companies.
- The property of the company would comprise the contents of the bank account, the freehold and the Deeds of Covenant.

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CHAOS THEORY!

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In practical terms without directors

- Deeds of Covenant from new owners, when properties are sold, need to be executed on behalf of CPMCL by its directors & registered at Land Registry
- In these circumstances, no deeds, including ownership deeds, can be registered

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