

Columbus Point (Management) Company Ltd

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**MEMBERS' MEETING
20 FEBRUARY 2015**

WELCOME ALL!

Why AREN'T we here?

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**We are NOT here to discuss
the present condition of
OR
the future options with
regard to the water feature**

The History

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- ✦ WFAG formed – Gordon Jenkins, Stephen Lloyd MP, Watchdog, Eastbourne Herald
- ✦ Developed into the Owners' Committee
- ✦ Five volunteer directors

Owners' Original Aims

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- Renovation, repair and delivery after a trial period at developer's expense
- No service charges until WF delivered
- Members' control of CPMCL
- Effective ongoing maintenance of the WF
- A pleasant and viable operational WF
- Minimum financial risk to members

Achievements

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- Renovation, repair and ongoing maintenance of WF
- A common covenant for all owners
- Membership control of CPMCL (from 1 March 2015)
- An operational WF*
- Financial risk reduced by £200,000 payment from Aria
- Risks reduced through £23,000 payment by Aria for legal expenses and compensation

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.

Changes to the Articles of Association

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- The Articles of Association have been changed and a resolution and amended Articles have been filed at Companies House.
- This means that on 27 February, Peter Taylor and Matt Paine, the current directors of CPMCL, will automatically resign.
- This is a fixed date and will not be changed!

What CPMCL will receive on handover

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- Upon handover CPMCL will receive:
 - £200,000 – contribution to the company’s “reserve fund”
 - £2,500 plus 20% VAT contribution towards legal fees for the conclusion of the negotiations with Hazelvine
 - A further £20,000 contribution as compensation for incomplete legal arrangements (related to Deeds of Covenant)
 - The freehold of the land (previously a lease between Aria & CPMCL)

What may not be ready on handover

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HOWEVER

- it is probable that:
 - the ongoing repair works will not be completed;
 - the Aria funded legal advice will not have been provided;
 - the Agency Agreement with Hazelvine may not have been finalised
 - the Owners' Manual may still not be completed
- Undeniably, this is a far from ideal situation, one which there may be little or nothing that can be done about.

The Options

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The IDDs 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.

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

If they do accept Directorships

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If the IDDs **do** accept the directorships:

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

Members' Interests

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- It is in all members interests to avoid the handover of CPMCL without new directors in place
- Therefore, the IDD's are seeking Aria's approval for follow-on measures to be put in place which would contractually bind Aria to fund completion of all the issues

IDDs' Proposals

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- CPS continue to carry out remedial works
- Persimmon paying for it
- Legally binding Agreement to pay for the remedials

IDDs' further requests

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The IDDs have also asked for:

- Aria to fund the costs of a professionally written Operating & Maintenance Manual
- Extra funds towards costs of completion of legal advice

IDDs' Challenges

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- Secure written agreement to complete repairs
- An Owners' Manual that is fit for purpose
- Hazelvine Agency Agreement

If IDD's proposals are unsuccessful

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- If Aria do not agree to the proposals, the IDDs will have to decide whether to
 - leave CPMCL without directors
- or**
- take on the risks of directorship in the current circumstances
- for CPMCL to fund completion of all issues

If no directors are appointed (1)

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If no new directors are appointed (if the IDDs 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

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.

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

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.

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

THEREFORE.....

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- It is in all members' interests to avoid the handover of CPMCL without new directors in place

Moving forward

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- Next week marks the end of a major stage in WF evolution
- Subject to the IDD's being prepared to become Directors, they will take CPMCL forward to the AGM

Recruitment

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- The Members will then need to elect a Board to take over the management of CPMCL from the IDD's
- Some with management, legal or financial backgrounds

Date of AGM?

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- CPMCL Articles of Association require AGM within 6 months
- AGM will be held as soon possible, that being
- When the Company Secretary can complete arrangements for AGM
- After 2015-16 budget completed and invoices issued

Note:

Only CPMCL Members may attend the AGM
Members "not in good standing" may not attend or vote

The AGM

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- AGM preliminary notice
 - Will seek nominations from volunteers to stand for the 7 director posts
- AGM notice will include
 - list of candidates with biographies
 - proxy voting forms, agenda and meeting details
- Election of new Board at AGM
 - The new board will be elected by vote and proxy vote at the AGM
 - ✦ The IDs will resign en masse and the new board will take over

What's happening with all the money?

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- It is intended that Fell Reynolds will hold the money IN TRUST for CPMCL and it will be held on their balance sheet as a “Reserve” together with 2014-15 residents’ service charge monies

The Future

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Late March-early April

Budget Review for 2015-16

May

Invoices to Members

First AGM

New Board of Directors

Contracts with Suppliers

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- Basic Agreements (3 months) with Fell Reynolds (FR) & CPS
 - FR as managing agents
 - CPS as maintenance contractor

These suppliers will be accountable to directors if they fail to provide the service expected

THIS IS WHERE WE ARE NOW

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- These are the facts:
 - On 1 March negotiations will be over and
 - CPMCL will be in Members' control

And finally..... almost

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- Hand over to Stephen Lloyd MP & Cllr Gordon Jenkins
- Questions from the floor
- Time to roll the credits
- The Bar

And now, let's roll some Credits

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- Tony Smith – organiser and administrator of WFAG and the OC, and fierce fighter for what is right and fair
- The CPRA – as members of the WFAG and OC committees
- The DCRA – as members of the WFAG and OC committees
 - Both of which have kept their members informed, have listened to them, and have taken their members' views to the committees
- WFAG and the OC who started the ball rolling when nobody else cared, and without whose hard work we could have been rudderless.
- And thank you to the dedicated individuals who have used their contacts, shared information, contributed knowledge, experience, money and time; who have grammar and spell-checked our work, printed and delivered Updates to neighbours, and who take the time to tell us exactly what they think we must do when things need doing.

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- OUR APPRECIATION ALSO GOES TO
STEPHEN AND GORDON FOR THEIR
STERLING EFFORTS ON OUR BEHALF

THANK YOU EVERYONE FOR COMING THIS
EVENING!

Keeping Members Informed The hard work going on in the background

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Getting us to this point and keeping you informed has been the result of dedication and hard work from a small number of volunteers:

- Until December 2014, the WFAG and OC produced monthly newsletters distributed via email and by hand to owners, interested tenants and other people; and now
- The IDD's produce Updates whenever necessary, distributed via email and by hand to CPMCL Members.

Keep us informed of your contact details and encourage new owners to do the same. cpmcl-ids@outlook.com