SAQML Meeting
6pm, 10th December 2018
P&P

Present

SAQML – Louise Richley, Chris Suddes, Paul Bate

Minutes

1. Budget 2019 – Although most of the items remain relatively stable, three significant factors affect the 2019 budget and require the Directors to make an informed judgement;

   i) Current Legal Dispute with Zurich – LR provided an update on the legal advice received from Brethertons. The Directors have now instructed Brethertons to issue proceedings against Zurich although significant legal fees will materialise in the process.

   Committed costs to date include an upfront £10k court fee with a subsequent £2,750 bill for Counsel, (LR is currently negotiating this fee from Counsel). The remaining process is difficult to predict as the Directors have no knowledge of Zurich's position, particularly as they have ignored the pre-action letter. Guidance from Brethertons suggests that total costs could amount to approximately £65k, but a significant step would be whether Zurich would be amenable to mediation.

   ii) CBRE Dispute – the Directors are extremely pleased to have forced CBRE to write off historic disputed charges. The precise figure is still to be confirmed as the balance is made up of several individual amounts.

   In relation to 2019, fees are difficult to predict given the recent acknowledgment from CBRE that SAQML is fully responsible for the overall management and provision of services throughout the building. As the Directors are now responsible for carrying out required works, the CBRE fee should reduce as their management charge was based on a percentage of fees incurred.

iii) Concierge Wages – the Directors were recently informed that vat now needs to be added to the concierge wages.

Given the uncertainly of these issues and likelihood that costs will increase, it was agreed that it would be prudent to increase the budget by £12,928.

Actions **CS to include agreed figures in 2019 budget and send to Kingston for invoicing**

2) Other Financial Management Issues – the following issues were discussed;

   a) Audit – given the size of company, the accounts do not require auditing and never have been. It was agreed that an audit is not necessary moving forward. The Directors will continue to use an independent accountant to confirm the year end accounts and prepare the necessary documentation for submission to Companies House.

   b) Sinking fund – discussion was had around items that could potentially be funded using the sinking fund such as the current roof issues. The Directors would prefer to use the service account where possible.

   c) VAT registration – SAQML is not vat registered although it pays vat on purchases, (and now concierge salaries). This position has been the case historically although the Directors will test the logic for this with the independent accountant, (the recent change to direct management may possibly influence this).

   Actions **LR to confirm details of independent accountant**

3) Roof Issues – Although many issues on the roof have now been rectified, there are a number of leaks that still continue. This is particularly evident when there is a significant level of standing water. It was agreed to continue using the existing supplier to carry out repairs and continue to investigate recurring problems.

4) Upgrade of Sky – SAQML is responsible for the provision of communal connectivity to the apartments which includes television and Sky services. The lease states that individual leaseholders are not allowed to install satellite dishes to the exterior of the building.

   Actions **PB/CS to gather costs for Sky upgrade and associated works**

5) Concierge Appraisals – It is important to ensure that the concierges are directed and provide a service that is acceptable to the leaseholders of the

building. Performance appraisals have been scheduled with both concierges for February 2019.

Actions LR to advise on specific dates in the New Year.

6) Apleona Estate Charge – Unfortunately Apleona will not agree to being paid the estate charge directly from SAQML. It is believed that this because of no legal mechanism is available to do this. LR has previously attempted to change this but with no response from Apleona.

Action This will be raised at the next meeting with Apleona.

Meeting closed at 7.15pm