st.anns quay
management limited
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AGM Presentation

21st May 2019

7pm Mal Maison

Sponsors – GFW & Living Spaces

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Introductions

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- Current Owner Directors of St Ann's Quay Management Ltd
  - Louise Richley
  - Paul Bate
  - Chris Suddes
- Kingston Property Services
  - Lloyd Williams, Legal Services Manager
  - Notes & Presentation Posted and Available On www
- GFW & Living Spaces

Agenda

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- Review of Stakeholders, SAQML & Costs
- 2018 Y/E Financial Position
- 2019 Budget
- Current Issues/Improvements
- Lettings & Letting Agent Presentations
- Questions & Discussion

Review of Stakeholders

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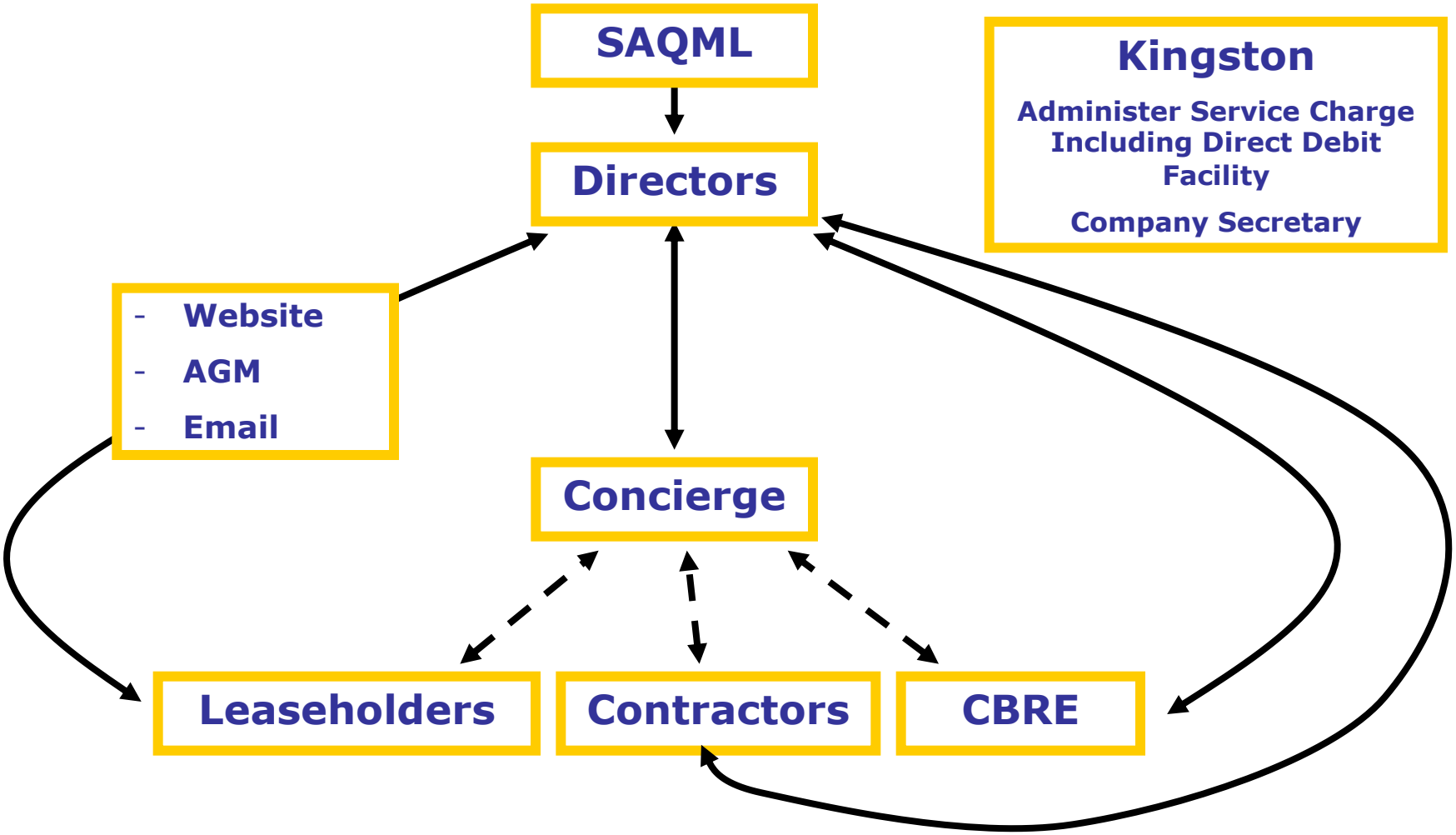
- Key Stakeholders
  - St Ann's Quay Management Ltd (Company Number 4206799, Inc. 25/4/01)
    - 1 Share per Flat
    - Decides How Residential Building is Managed
    - Currently 3 Owner Directors
    - Company Secretary Kingston Property Services
  - Freeholder History
    - City Lofts 1/1/04 – 14/2/05 (in receivership)
    - Whitewell Estates 15/2/05 – 24/5/06
    - M&F Finance 25/5/06 – current
    - Potentially For Sale

Review of Stakeholders

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- Residential Managing Agent History
  - King Sturge (until 31/12/04)
  - Town and City (1/1/05 - 15/6/10)
  - Kingston Property Services (16/6/10 – current role)
  - St Ann's Quay Management Ltd (1/1/18 - current)
- CBRE Appointed by Freeholder September 2013 (Previously Storey's)
  - Change in November 2018 To Only Manage Commercial Areas & Service Areas
- Apleona (formerly Europa Management)
  - Manage St Ann's Estate inc. Private Road, Car Parks & Quayside Area

Structure of St Ann's



Resident Charges

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- Annual Residential Service Charge includes;
  - Cleaning
  - Repairs & Maintenance
  - Concierge
  - Block Insurance
  - Lifts
  - Fire Alarm, Security & CCTV
  - Communal Lighting & Electricity
  - Improvements
  - Reserve Fund
  - Managing Agent Fee

Resident Charges

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- Adjustment for Water & Sewerage Charge
- Annual East Quayside Charge includes;
  - Private Roads
  - Maintenance (Roads & St Ann's Car Park)
  - Security Cover
  - Management Fees
- CBRE Charges (split 61% for residential & 39% commercial) Based on Sq/Ft
  - Under New Arrangement – SAQML now responsible for repairs to exterior fabric, painting gates, metalwork, etc….
  - Planned Maintenance

Resident Charges

- Ground Rent
  - As per Lease £250pa
- Car Parking Charges (paid directly to CBRE)
  - Meet with Apleona but no control over costs

Invoicing Structure

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Frequency	Invoiced By	Includes
Annually (DD Option)	Kingston	▫ Residential Service Charge ▫ East Quayside Charge ▫ CBRE Charge
6 Monthly	Kingston	▫ Ground Rent
Quarterly	CBRE	▫ Car Park Charge

SAQML Directors

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- Currently 3 Owner Statutory Directors
- Motivated to;
  - Manage Costs
  - Keep St Ann's Quay High Quality & Safe
  - Safeguard Long Term Future of the Building
- Website Shows
  - Skills Matrix
  - Director Profiles and Commercial Experience
- Director Meeting Notes on Website

Accounts Y/E 2018

- Copy Sent With AGM Notice
- 2018 Summary
  - Budget £280k
  - Actual Spend £299.5k
  - Actual Income £290k
  - **Deficit £9.5k**
- Summary Year End 2018 Balance Sheet Figures are;
  - Debtor Balance £30,926
  - Creditor Balance £58,394
  - Cash Balance £199,634

Accounts Y/E 2018

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- Additional Costs
  - Legals £9k actual vs £3k budget
  - Redcare £1k not budgeted
  - CBRE Building Insurance £1k
  - VAT on Concierge Wages (Payroll Now Taken In House to Reduce This) £4k
  - Waste £1.5k

Accounts Y/E 2018

- Reserve Fund Balance £174,998
  - Transactions in 2018
    - Balance b/f £170,338
    - 2018 Service Charge Transfer £37,000
    - Roof/Smoke Alarm/Detectors (-£30,000)
    - Utilised In 2018 (-£2,340)
    - Balance **£174,998**
- Independent Accountant
  - Laverick Walton & Co, Team Valley
- No Audit Required

Property Transactions

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- Property Sales 2018
  - Received Notice of Transfer of 6 Properties (12, 15, 19, 25, 39, 64)
  - 7%

Lettings

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- Estimate
  - 70% Apartments Let
  - 45% Of Which We Have No Tenant Information
- Running a Business
  - Bound by Terms in Lease
  - By Extension, Responsible for Tenant Actions
  - Enforcement of Lease
- Resident Handbook (on Website)

Lettings

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- Landlord Responsibilities

You're a landlord if you rent out your property. As a landlord you must:

- keep your rented properties safe and free from health hazards
- make sure all gas and electrical equipment is safely installed and maintained
- provide an Energy Performance Certificate for the property
- protect your tenant's deposit in a government-approved scheme
- check your tenant has the right to rent your property if it's in England
- give your tenant a copy of the How to rent checklist when they start renting from you (you can email it to them)

www.gov.uk/renting-out-a-property

- SAQML Limited Authority

Budget 2019

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- Sent to Owners with Service Charge Invoice
- Budget of £292,402 Discussed & Approved by Directors in December 2018 – includes
  - £83k East Quayside/CBRE
  - £25k Buildings Insurance
  - £45k Concierges, (inc. cleaning/maintenance)
  - £15k Utilities
  - £40,000 Reserve Fund Contribution
- Monitored at Regular Director Meetings

Exceptional Spend

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- Section 20 Ruling Consultation Declared to Shareholders;
  - £250 per Apartment, (Total Spend £22,750)
  - Major Works
  - Three Stage Consultation Process

Data & Privacy

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- Security Camera/Data Policy
  - Images Available to Directors, Concierge & Police
  - Accessed Only In Relation to Reported Incidents and Problematic Areas
  - Cameras Only Available on Secured Website With Password Protection
- Key Holding
  - Key Safe (3 Locks to Access)
  - Highly Recommend Key Left with Concierge

Insurance Cover

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Insurance Policy	Responsibility
Building Insurance	▫ Included Within Service Charge
Contents	▫ Leaseholder Responsible
Landlord (Lettings)	▫ Landlord Policy (Including Public Liability)

Improvements/Issues

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- Water/Structural Issues
  - June 2013 Report Boosted Cold Water System
    1. Water Pumps
    2. Service Pipes
    3. Internal Plumbing
  - Affecting Residential and Commercial Areas
  - Two Main Courses of Action
    - Zurich
    - CBRE/Robertsons

Improvements/Issues

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Improvements/Issues

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Improvements/Issues

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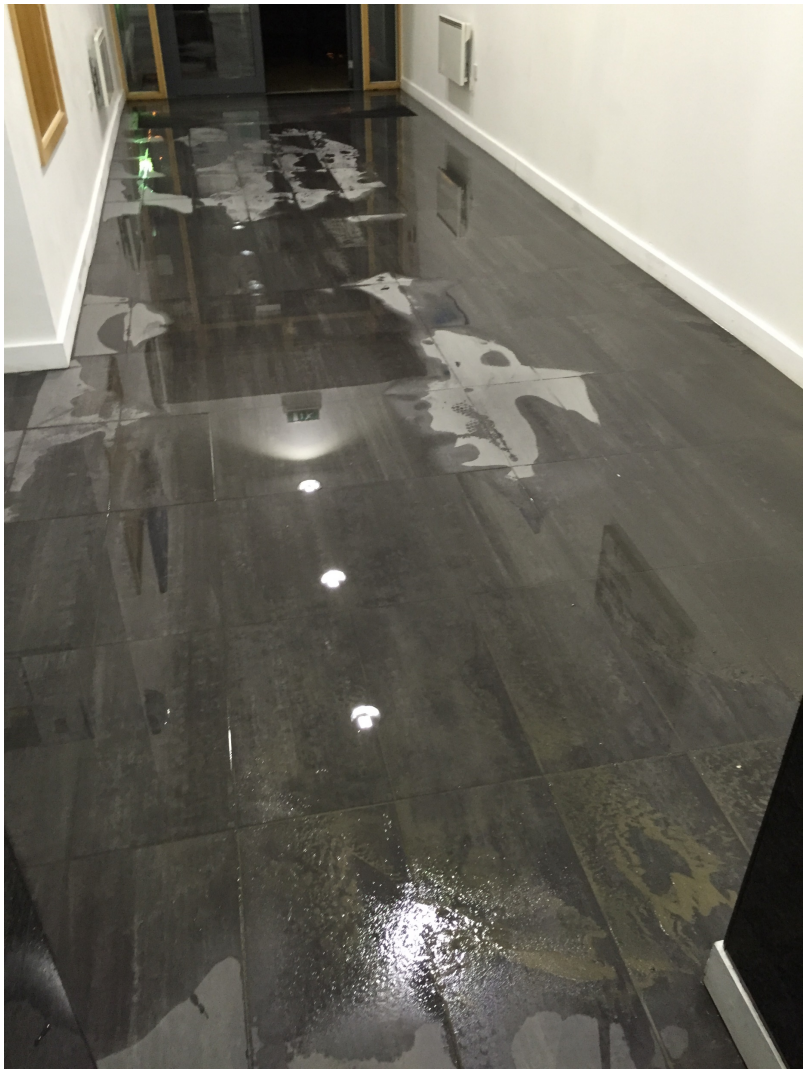




Commercial Floors

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Improvements/Issues

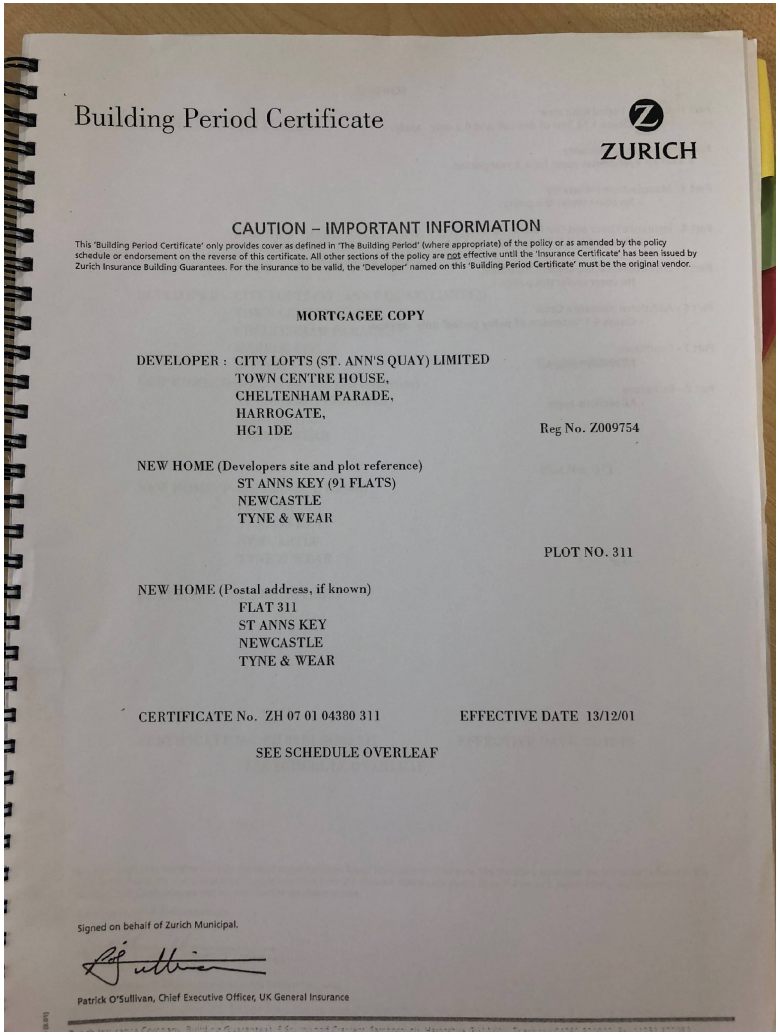
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- Current Position
  - CBRE
    - Replaced Pumps – Their Cost & Legal Undertaking
    - Basement Pipe Repairs
  - Zurich - Legal Action
    - Ongoing Insurance Case
    - View of Counsel
      - 65% Chance of Success (Amount Unspecified)
    - Issued Letters Before Action;
      - 30th August 2018 (28 Day Deadline)
      - Reissued 22nd March (deadline 5th April 2019)
      - No Response to Date
      - Legal Fees On Case 2018 £9k
      - Budgeted £10k 2019

Improvements/Issues

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- Insurance Certificates
  - Every Leasee Has Policy
  - Court Reflects This
  - Group Action
  - SAQML Can Organise Only
  - Need Certificates
  - Only Have;
    - Apt 12, 20, 42, 45, 50, 67



Building Period Certificate

ZURICH

CAUTION – IMPORTANT INFORMATION

This 'Building Period Certificate' only provides cover as defined in 'The Building Period' (where appropriate) of the policy or as amended by the policy schedule or endorsement on the reverse of this certificate. All other sections of the policy are not effective until the 'Insurance Certificate' has been issued by Zurich Insurance Building Guarantees. For the insurance to be valid, the 'Developer' named on this 'Building Period Certificate' must be the original vendor.

MORTGAGEE COPY

DEVELOPER : CITY LOFTS (ST. ANN'S QUAY) LIMITED
TOWN CENTRE HOUSE,
CHELTENHAM PARADE,
HARROGATE,
HG1 1DE

Reg No. Z009754

NEW HOME (Developers site and plot reference)
ST ANNS KEY (91 FLATS)
NEWCASTLE
TYNE & WEAR

PLOT NO. 311

NEW HOME (Postal address, if known)
FLAT 311
ST ANNS KEY
NEWCASTLE
TYNE & WEAR

CERTIFICATE No. ZH 07 01 04380 311

EFFECTIVE DATE 13/12/01

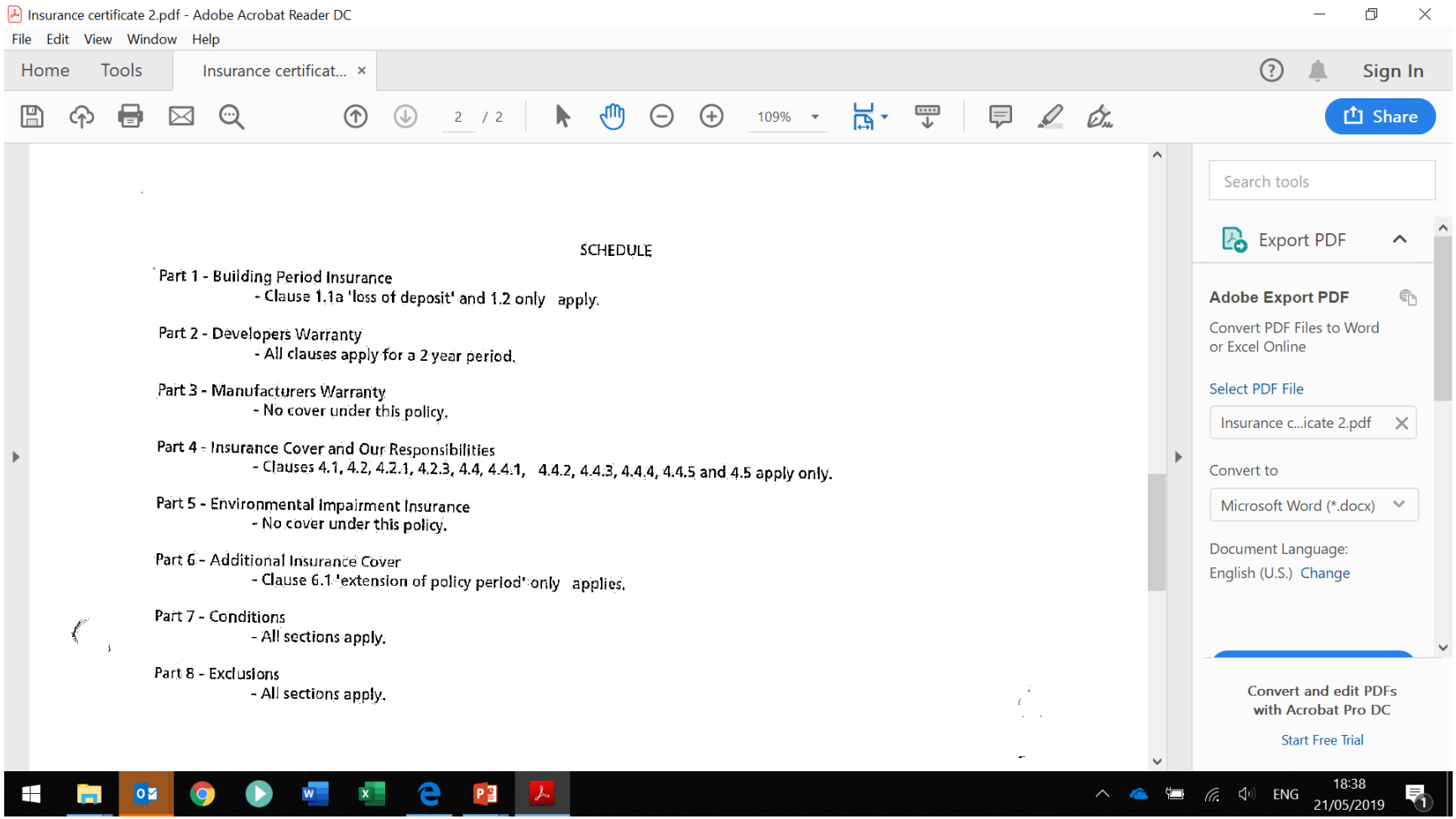
SEE SCHEDULE OVERLEAF

Signed on behalf of Zurich Municipal.

Patrick O'Sullivan, Chief Executive Officer, UK General Insurance

Improvements/Issues

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Improvements/Issues

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- CBRE Wider Legal Dispute £33,813.72
  - Costs In Relation to;
    - Blue Cube £13,944.60
    - Storey's Take on Costs £7,869.12
    - Europa Payment £12,000
  - CBRE Current Relationship
    - Re-Instigated Dialogue
    - Property Manager
    - Constructive Relationship
    - Carry Out Improvements, Works and Charge Through Service Charge
    - We recharge CBRE for leaks we fix – commercial tenants

Improvements/Issues

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- Bathroom Tile Maintenance
  - CTD Tiles (351 Shields Road)
  - £15
  - Wear Protective Mask



Improvements/Issues

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- Roof Repairs
  - CBRE Suggested Full Roof Replacement, Estimate £100k
  - SAQML Organised
    - Electronic Survey Carried Out £1.5k
    - Work Carried Out £21k
    - Walkway Tiles Replaced
      - Patching Where Required
  - 10 Year Guarantee (Available to View)
  - Subsequent Annual Review

Leaks Around Windows

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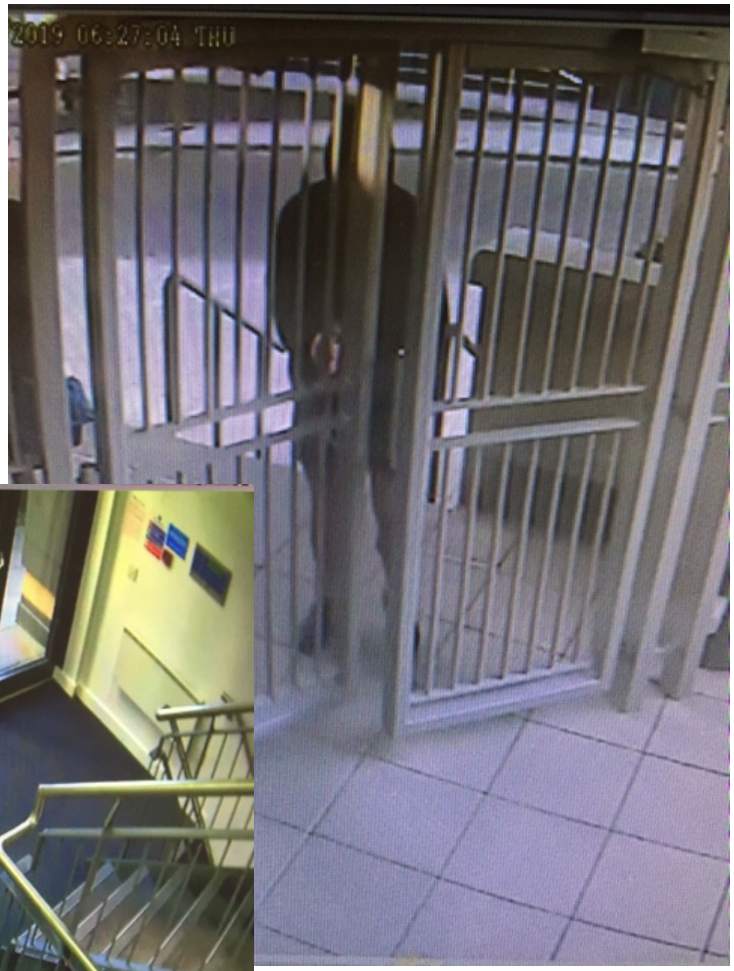
- Velfac
  - Windows/Balconies
  - Engineer Visit
    - Not Product Failure
    - Gaps - Installation
    - Foam
  - Responsibilities
    - Communal Areas
    - Apartments
  - My Flat
    - My Expense

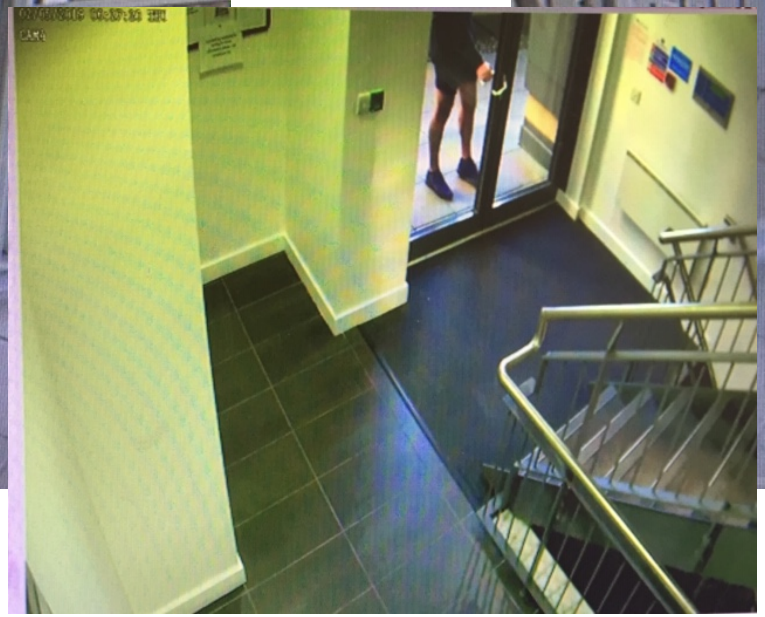


Improvements/Issues

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Improvements/Issues

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- Security & Access
  - 2018
    - Total Spend - £9k
      - Camera & Recorders
  - 2019
    - Budget £4,000
      - Provision for General Maintenance/Upgrades Required

Improvements/Issues

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- Security & Access
  - East Quayside Parking Area (Policy on www)
    - Loading/Unloading Bay
    - Arrange 3 Hour Fob From Concierge
    - Blue Badge Fob Access
  - Disabled Gate St Ann's Street (Policy on www)
    - Crime Prevention Officer Advice
    - Tailgating
    - Disabled Access Only
    - Concierge Access Heavy Goods

Pest Control

- Pest Control – Moths
  - Work Together
  - Monitors
  - Carpets



Pest Control

- Pest Control - Pigeons
  - Balconies
  - Waste Disposal





Improvements/Issues

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- Bin Shed
  - Collection Issues
  - Waste Disposal
- Recycling Facilities



Cleaner Air Strategy

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- Cleaner Air Strategy Newcastle, Gateshead & North Tyneside
- Central Motorway, Coast Road & Tyne Bridge Exceed Emission Limits
- Legal Order from Central Government to Improve Air Quality
- Options
  - Create Clean Air Zone (CAZ) – Charges for Most Polluting Vehicles
  - Low Emission Zone & Bridge Tolls for All Vehicles

Improvements/Issues

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- Proposed Charges
  - CAZ
    - Cars £12.50/Day
  - Low Emission Zone
    - Cars/Vans £1.70/Journey
    - HGV's £3.40/Journey
- Timescales
  - Decision Made – End of 2019
  - First Charges – 1st January 2021
- www.breathe-cleanair.com

Telecoms/Connectivity

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- Head Lease
  - SAQML Responsible For Connectivity and Cabling
- Sky
  - Sky Q
  - Sky Plus No Longer Supported
  - Contractor Issues – Inconvenience
- £8k Cost in 2019
- Historic Satellite Dishes Removal

Cladding

- Cladding
  - Working in Conjunction with CBRE
  - Testing of Composite Panel with Aluminium Face
    - Combustible but Not Conclusive on Meeting Standards
    - All Cladding Contains Combustible Material
    - Fire Risk Assessment Regarding Fire Spreading Via Cladding
  - Next Stage – BS Standards Test Evaluate;
    - Whether a Cladding System Subject to Fire Breaking Out of Opening in an External Wall will Result in Excessive Fire Spread up the Outside of the Building and the Potential for Fire to Enter a Higher Level

Improvements/Issues

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- Next Actions
  - Protective Works to Timber Decking on Balconies
  - Cleaning Timber Deck Balconies
  - Application of Fire Retard Treatment
  - Further Work With CBRE

Other Issues Raised

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- Misappropriation of Funds Rumour
  - All polices, purchasing policies on www
- Solar Panels
  - Investigated Previously, Not Deemed Viable by Contractor
- To Let Sign on Side of Building Raised at CBRE Meeting (29/4/19)

Questions & Discussion

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- AOB From AGM Invites
- Open the Floor for Questions & Discussion

Letting Agent Charter

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- Letting Agent Charter (Available for Inspection)
- Thanks to GFW and Living Spaces for Refreshments and Buffet
- Presentations
  - GFW
  - Living Spaces