

Ashworth Mansions Limited

*Registered Office: 7 Mercers Place, Brook Green, London W6 7BZ
Registered in England No: 2477421*

Subject: How does the management company work, what do the directors do, how can you contact the directors and how can interested lessees join the board?

What is Ashworth Mansions Limited (AML) and what does it do?

AML was formed in 1991 so that the then residents could purchase the freehold of Ashworth Mansions. Some 87 of the 105 Leaseholders bought shares in the company and put up the money. AML is the ultimate landlord for all current leaseholders.

What does it do?

It owns the freehold of the estate and, under the leases, has a number of responsibilities including maintaining the buildings and internal and external common parts, insuring the buildings and providing porterage and other common services (please consult your lease for actual legal wording).

AML performs these obligations primarily through a contract with professional managing agents – currently Kinleigh, Folkard & Hayward (kfh).

The cost incurred in meeting these obligations is charged to individual lessees through the service charge account. The monies collected through the service charge are held in two trust accounts – one for the current year expenditure and one for the major works reserve fund (often referred to as a sinking fund).

How are directors appointed?

The directors are elected by the shareholders to manage the company. Directors may be nominated for election at the annual general meeting or co-opted by the Board during the year (in which case their appointment must be formally confirmed by election at the next AGM).

What are the responsibilities and liabilities of the directors?

Board members have the same legal duties of any limited company director as defined in the Companies Acts. This includes possible personal liability for their actions, which should be well understood before coming on the Board.

However, as is customary, the Board does have Directors and Officers insurance in place to protect directors from financial liability in normal circumstances.

The Board also ensures that the company's activities are in accordance with the Landlord and Tenant Act 1987 and the Commonhold and Leasehold Reform Act 2002 and any subsequent amendments and statutory instruments.

How often does the Board meet?

Over the past twelve months the directors have met for formal directors meetings 12 times. There has also been one separate long term planning meeting.

The directors have conducted numerous meetings with contractors, professional consultants, auditors and solicitors. They have also met with residents on matters connected with their individual flats, for example relating to proposed renovation works.

Between meetings there is a considerable volume of email exchange, postal documentation and phone conversations.

What is discussed at Board meetings?

A typical agenda includes:

- * review of the minutes of the previous meeting and actions proposed.
- * company secretarial matters such as share transfers, completion of official documentation, approval of accounts etc.
- * report from the managing agents which contains a detailed monthly financial report of expenditure and service charge collection; a report on day to day problems that have occurred; contract tenders and quotations for work which require director approval; applications received from lessees for permissions for works and alterations to flats, approval of sub leases and other individual concerns raised by lessees;
- * chairman's report
- * ongoing items for major works in progress or planned
- * matters submitted by lessees and residents for consideration
- * any other business as it arises

Who else attends Board meetings?

Daron, the porter, attends each Board meeting as the first item on the agenda to report on his activities, explain problems, put forward suggestions and report on resident feedback.

Because a number of items discussed at each meeting are of a confidential nature, it has always been felt impractical to allow residents to attend meetings as observers as they would have to be excluded for many items of the meeting. They might also find it frustrating to attend but not be able to speak and take part in the meeting!

Can Lessees see Board minutes?

The Board will in future be publishing in advance the Board meeting dates and meeting agenda. Summary minutes will be published after each meeting. All of these items will appear on the company website which is now up and running (www.ashworthmansions.com). Those Lessees without access to the internet should inform the managing agents and they will be sent a printed copy.

How many directors are there?

Under the company's constitution, the Board of directors consists of a minimum of 2 and a maximum of 9 directors. There are currently 6 directors.

Do directors have to be a lessee?

At present there is no requirement for a Director either to be resident at Ashworth or to be a Lessee or Shareholder. However, all current Directors are Lessees.

How long do directors stay on the Board?

The company's constitution states no maximum time that directors may serve and, once elected, there is no requirement for them to stand for re-election.

What is the day to day role of the directors?

The business of running the estate is a serious business involving a service charge expenditure of more than £250,000 annually and a spend on major works which has totalled approx £3.5 million in the last ten years.

The directors do have to involve themselves in day to day decisions and this is largely conducted by constant telephone and email exchanges.

The managing agents are constantly in touch with the directors and copy them with quote, drawings, specifications etc as required for decisions requiring Director approval.

It is hoped that once a longer term plan is in place, and with the managing agents taking care of the day to day matters, that the board can revert to more of a supervisory and strategic role in maintaining the ambience, quality etc of the estate.

Who is suitable to be a director?

Any lessee who has an interest in the smooth running of the estate and is prepared to put in the necessary time and effort is welcome. No specific technical expertise is necessary although legal, accounting, technical (eg building, architect, surveyor) and organisational skills are particularly useful.

However, it is important that anyone joining the Board is not putting themselves forward with a particular personal agenda in mind. It is important that members of the Board keep an open mind and can make decisions which are in the interests of the estate in general and not of particular sectional interests.

It is also important to understand that the Board is not a residents' committee and its first priority is meeting the obligations of the company as landlord as defined in your lease.

Are there current vacancies?

The Board currently has six members, Roy Singh having resigned following the AGM because of pressure of his own personal and work commitments.

David Abdo has recently moved from Ashworth Mansions, but is continuing to oversee the internal refurbishment on behalf of the Board. When this is completed, David has indicated his intention to resign from the Board.

There will therefore be 4 positions on the Board available should suitable candidates wish to put themselves forward. Please notify any interest to Michael Elliot at the company's registered office or by email to secretary@ashworthmansions.com.

How do I contact the Board?

Via email:

Chairman chairman@ashworthmansions.com

Company secretary: secretary@ashworthmansions.com

Directors generally: directors@ashworthmansions.com

By Post: Ashworth Mansions Limited
7 Mercers Place, Brook Green, London W6 7BZ

or via the Managing agents:

Philip King email: pking@kfh.com;

tel: 020 8780 6501

Kinleigh Folkard & Hayward
4th Floor, Carlton Plaza
111 Upper Richmond Road
London SW15 2TY

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