



# NOCTON PARK MANAGEMENT LTD

*Helping to make Nocton Park a better community!*

61 Bridge Street, Kington, HR5 3DJ | Email: [enquiries@noctonpark.co.uk](mailto:enquiries@noctonpark.co.uk) | Company Number: 02335481

*Dear Shareholder of Nocton Park Management Ltd,*

07 August 2024

The Board of Directors of Nocton Park Management Ltd (NPML) wish to formally give notice that an ANNUAL GENERAL MEETING (AGM) of NPML will be held on Tuesday, 17 September 2024 at 7pm at the Nocton Hub, Main Street, Nocton.

## A) Updates by the Board:

There will be updates by the Board of Directors for the note of the shareholders a - these items do not need to be voted upon as they are updates not motions:

- Lease between the NPML and Nocton Park Allotment Association and the impact of the recent court consideration.

## B) Motions and ordinary resolutions proposed:

The following points will be put forward for discussion and formal vote as ordinary resolutions. A simple majority of the attending shareholders (or received proxies) are needed to pass each resolution.

### 1. Minutes of the Annual General Meeting \*

This was held on the 10 August 2023 at the Nocton Parish Council Hub. These will be noted and signed by the Chair of the Board of Directors upon agreement by the shareholders.

### 2. Formal accounts and Directors Report for 2023 \*

The Directors Report and Unaudited Financial Statements for the y/e 31 December 2023 for agreement.

*\* Copies will be available on the website of NPML - this is to save costs and be environmentally aware of resources*

### 3. To approve the Board to investigate the operational and financial options for the major work on the NPML responsible roads in Nocton Park

The Community will be fully aware that some of the roads in the Nocton Park community are in need of work to restore them to the standard needed - either to undertake ad hoc work on specific issues or to seek the full relay of particular roads. This will be ensure to that community residents who use the roads do so with the knowledge the roads are of a sufficient standard to prevent injury to pedestrians and cyclists, and to reduce the risk of damage to vehicles. But the cost of major work will be very expensive and before the Board seek formal cost detail, and the implication on shareholders' requirement to pay this through the service charge, the Board wish to have the shareholders' support to then bring this detail to the shareholders at a future meeting.

### 4. Financing of internal and external work required on both block of flats and considering options

As described and discussed at the 2023 AGM of NPML, the shareholders were made aware that significant capital investment is needed on both block of flats to both ensure that the physical buildings are maintained in a safe manner, but that also NPML meets its contractual obligations under the leases they have with all flat lease owners (FLO). The attendees were informed that it is estimated that the main elements of the work (which includes replacing all soffits and guttering, completing repairs on balconies, internal decorations and maintenance, as well as full external decoration - and possibly other items) will cost a forecasted £50,000. The work has been long overdue and unfortunately numerous Boards have not grasped the nettle of the issue and looked to find proper solutions. This Board wanted to ensure this didn't happen again.

For note of the shareholders, the Board arranged for a full structural survey to be undertaken on the buildings and have shared a full detailed report with the FLO.

Whilst the actual liability of the expenditure falls to the lease holder, the initial work, management and financing will have to be coordinated by NPML who will have to ensure they have the financing available.



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At the AGM, the Board was asked by the shareholders to seek the opinions of the FLO as it was felt that as it directly affected them. This has happened over the course of the last nine months and there have been numerous meetings with the Flats Lease Owners. The main question that the Board wanted to seek was if each individual FLO was in a financial position to meet their obligation under the lease. All FLO were written to and asked if each FLO was able to meet their share (estimated at £4,000). From the responses:

- Five FLOs said they were able to meet their financial obligations straight away
- Six FLOs said they would meet their financial obligations but would need a longer period of time and a payment plan
- One FLO said that they were not in a position to meet their financial obligations either now or likely in the future

In the following meetings with the FLO it was agreed by all attendees that it was now vital that as there was insufficient funds up front and NPML was not in a position to offer financial support up front, then the issue would need to be put back to the shareholders. It was also put forward to NPML that the FLOs felt that NPML had not met their contractual obligations under the lease and now NPML and their shareholders need to consider the serious implication.

The FLOs did wish to specifically clarify that the flats are not subsidised by the whole estate as has been rumoured for a long time.

The FLO meeting discussed the options and it was felt that as the work was needed relatively soon, there was insufficient time to raise the funds through an increase in the Service Charges. It was felt that this option could have been useful if it had been enacted 10-15 years ago - but now other options would be needed. The options discussed were:

## **A. Look to secure external financing through a debenture (commercial mortgage) or other external finance options**

The FLO will be required to pay indirectly but this would allow all the work to be done upon the financing agreed. If this long term option was used, it would require both significant legal advice from the solicitors of NPML but also need the use of a financial advisor to seek the best external finance option. If this option was possible and agreed, it would almost certainly require a charge to be placed on the physical buildings (of the Flats) and it would be in the name of NPML. It would then be a NPML requirement to repay the debenture through the significant increase in the service charge to the FLO part of which would then be used to make the repayments. There is no certainty this is possible and only if the shareholders agreed they wish the Board to seek specific advice (which may require funding) would the Board and Agent seek the necessary advice.

The financial obligation would lie on NPML and it would require NPML to then manage the repayments through the increased service charge to the FLO. But the shareholders would have to appreciate that while the repayment would not likely fall on the shareholders, if the repayments were not made (and they would have to be treated as a priority over all other expenditures) then the assets of NPML would be at risk.

If this option was considered, the Board through the discussion and cooperation of the FLO would need to then carefully manage the specifics of the debenture repayments if some FLO wish to make payments to meet their obligations up front.

## **B. Look to offer the lease owners the freehold of the flats (or others) at market value**

This would be a significant change of asset ownership to NPML but would in effect draw a line in regard to any management of the flats by NPML and would bring a significant cashflow to NPML. This would then take any liability or management of the block of flats away from NPML.

The Board do wish to clarify that for this option to be agreed, it would have to be all flats in a block and any proceeds would be used for works for the flats (to ensure the value is maintained in the sale) and any areas to which NPML have responsibility.



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This would be a seismic change the in current makeup of NPML and would be a big change in the way NPML operates. But it may be the option that frees NPML from the responsibility of the management of the flats and then the FLO would simply be a normal shareholder in the NPML. Should this option be considered both legal and estate specialists would be required to be used to ensure that the maximum value was obtained as well as the legal interests of NPML and FLO.

## 5. Election of Directors of NPML

**The current Board members of NPML, Mrs Cooke and Mrs Wallhead, have reached the end of their three year term on the Board and have been clear that they wish to step down from the Board and thus do not wish to seek nominations (nor will accept them) for a further three year stint on the Board.**

The company are required under Table A of the Companies Act 1985 (Appointment and Retirement of Directors) to follow certain rules regarding the appointment of Directors. Any Shareholder wishing to propose any person for election as a Director at the AGM please complete the attached *NOMINATION FORM OF A PROPOSED PERSON TO BE A DIRECTOR OF NPML* and ensure this is returned to the Managing Agent (**Mr S Baxter of SR Baxter Business Consulting**) at **61 Bridge Street, Kingston, HR5 3DJ** or at [enquiries@noctonpark.co.uk](mailto:enquiries@noctonpark.co.uk) by 5pm, 25 August 2024 with the full details of the person they are proposing.

The Board asks that any person wishing to stand for election as a Director if they could provide a brief statement about themselves to include their experience, what they could bring to the role and their viewpoints and hopes for Nocton Park. This statement should be sent to [enquiries@noctonpark.co.uk](mailto:enquiries@noctonpark.co.uk).

This would allow the shareholders of NPML to be fully briefed on each prospective candidate for the Board of NPML and how they could serve the community - before each shareholder then considers how to vote for each candidate.

### **Note all prospective directors must be aware:**

*Please note there are criteria (Companies Director Disqualification Act 1986) which prohibits some persons being a director of a company should they fulfil one of more of the ineligibility criteria. The Board will provide further details if required.*

**Any nominations received after 5pm 25 August 2024 will not be considered for election at the AGM. All Shareholders will be notified of the persons wishing to stand for election not less than seven clear days before the AGM.**

The Board wish the shareholders to note the following:

### **COMPANIES (TABLES A TO F) (AMENDMENT) REGULATIONS 1985 AS AMENDED BY - 1985/1052 TABLE A (57) -**

**“...No Member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all monies presently payable by him in respect of that share have been paid...”.**

That means that any shareholder who owes any contractual obligations through the covenant on their property (specifically the Estate Management Charge) that has not been agreed by the Board then the shareholder will not be entitled to vote for any motion or resolution until the full amount is paid. This does not prohibit shareholders (who pay their EMC by a regular monthly payment) as this is formally agreed by the Board.

The Board wish the shareholders to note that the formal Agenda and full details of how to make the Board aware if any shareholder wishes to use a proxy vote (in the prescribed manner) for any motion or resolution will be sent in late August 2024. If any shareholder wishes for any clarification on the AGM details, the motions or the resolutions, the Board ask that they contact Managing Agent on the contact details stated above.

## **Attendance at the AGM**



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The Board acknowledges the role that non-shareholders play in our community and will share the items discussed and the decisions made with them in due course after the shareholders have had their opportunity to discuss the issues and vote on them.

The Board do reserve the right to ask any non-shareholder who attends the meeting (and is not a legal proxy) and who in the Board's opinion is causing any disquiet or unpleasantness, to leave the meeting and should they not leave the meeting may be suspended by the Chair of the Board of Directors.

Yours faithfully,

*Victoria Hewson & Kenny Mabbott*

**Ms V Hewson and Mr K Mabbott**

*Board of Directors of NPML*

Nocton Park Management Limited