



NEW ASH GREEN VILLAGE ASSOCIATION LTD

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FORTY SECOND ANNUAL GENERAL MEETING of the New Ash Green Village Association Limited held on **MONDAY 6 JUNE 2011 at 8.00pm at Centre Road, New Ash Green, Longfield, Kent, DA3 8HH**

Present: Mr Alan W L Pett – Chairman (Consultant)

Representative Members

Mr Ken Smith - Ayelands

Mrs Linda Gregory – Bazes Shaw

Mr Paul Campion – Bowes Wood

Mr Cameron Clark – Chapel Wood

Mr Mark Scanlon – Colt Stead

Mr Ray Hewitt - Foxbury

Mr Bob Stinton – Knights Croft

Mr Bob Ashford - Lambardes

Mr John Taylor – Lance Croft

Ms Mo Wright – Manor Forstal

Mr Tim Gegg - Millfield

Mr Brian Hardcastle – Over Minnis

Mrs Bella Kirk – Punch Croft

Mr Ferri Jahed – Redhill Wood

Mr Lawrence Townson - Westfield

Consultant Members

Mr Jerry Ash – Consultant

Mr Colin Garratt – Consultant

Mr Stuart Richardson – Consultant

Mr Keith Wale – Consultant

Attendance: Pat Kirtley – Secretary

Mr John K Cardnell – External Auditor

1. **APOLOGIES for absence** were received from Representative members Mr Michael Rose (Capelands), Mrs Pam Godden (Farm Holt), Mrs Edna Rogers (Ayelands), Mrs Shirley Owen (The Mote), Mr Paul Campion (Bowes Wood) and Consultant Members Mr Fred Briers, Mr Christopher Broad-Manges, Mr Terry Vivian, Mrs Susan Heads, Mr Edwin Broome and Mr Alan Bickle.

Forms of Proxy had been received from Mr Michael Rose nominating Mr Colin Garratt, Mrs Shirley Owen nominating Mr Colin Garratt, Mrs Edna Rogers nominating Mr Ken Smith (Ayelands Residents' Society) Mrs Pam Godden nominating Mr Alan Pett, Mr Fred Briers nominating Mr Brian Hardcastle, Mr Christopher Broad-Manges nominating Mr Alan Pett, Mr Terry Vivian nominating Mr Alan Pett, Mrs Susan Heads nominating Mr Cameron Clark.

Before introducing the business of the day, the Chairman Alan Pett asked for a minute's silence in memory of two recently departed members of the village. Christine Gates, who is remembered for her huge contribution towards the village's Village Week and her instigation in the co-operative formed twenty five years ago to keep the Village Bookshop. Trevor Burningham, who, as Chairman of NAG Rugby Club was instrumental in the development and the building of the original sports Pavilion which largely was a voluntary effort. It is appropriate to remember people who were such strong volunteers in the community particularly when there is a lack of such people in the present day.

2. **CHAIRMAN'S REPORT** was tabled at the meeting. The Chairman advised that he had omitted to mention *communications* and commented that the twice yearly newsletter continues to be well received and the website is now live. (www.nagval.com). He then introduced the members of Council of Management. Comments from the floor were invited. Bella Kirk (Punch Croft) observed that residents continue to struggle to pay fees and worried that proposals to change management would increase fees. Ferri Jahed (Redhill Wood) asked for clarification as to what *political lobbying* meant and the Chairman gave a brief explanation citing the salt supplies from Kent Highways for use on village roads as an example of what could be construed as *lobbying*. The Chairman cited the current situation in that most Societies were 'creaking' and appeared unable to identify volunteers to take on any responsibility for the jobs that have to be done. It may be necessary, in the not too distant future, to pay someone to manage individual neighbourhoods if younger volunteers do not come forward to do these jobs. Mo Wright (Manor Forstal) advised that she had been tasked by her committee to come to the AGM to express how appalled her committee is at the idea of the VA employing a Manager. She wondered whether a consultant could be employed on a short term basis to deal with specific tasks when required. The Chairman advised that the VA were merely undertaking an exercise at the moment to see what the options are and discussions would continue during the next year. John Taylor (Lance Croft) hoped that Council of Management intends to come back to the membership before making any final decision. The Chairman confirmed that whilst Council of Management is empowered to make decisions on behalf of the membership, it was anticipated that a special meeting of members would be held to discuss implementation of anything that is likely to change the current system of management. Stuart Richardson (Consultant and Director) advised that he is personally not keen on the current proposals on the table, although would support the idea of another person but not the current proposal. Ferri Jahed (Redhill Wood) reminded members that the VA Treasurer had told members at an earlier meeting this year that a paper showing how his committee's proposals with costings would be available for members at this year's AGM. He also recalled that it had been said that the decision would not be made by Council of Management but that a meeting of the members would be called to approve any proposal for change. Ferri Jahed went on to say that the VA Treasurer had promised a consultation document at this meeting and further observed that the Treasurer had not attended the AGM on two occasions and asked whether the AGM date should be altered to accommodate the Treasurer. Bob Stinton (Knights Croft) confirmed that the Finance and Strategy Committee continue to discuss proposals. Stuart Richardson (Consultant and Director) asked what savings would be made when the adoption of the foul drains by the water company takes place later in the year. In the absence of the VA Treasurer the external auditor advised that expenditure in any one year could be anything between £15-£65k. There was some discussion as to how the water company would recoup the cost of repairs and renewals and what the ultimate cost to residents would be. New Ash Green is not the only area with private drains and costs would be spread across the board. It was the general opinion that the adoption of these drains must be welcomed and there was nothing further to discuss. The Report was accepted.
3. **REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010** The Association's External Accountant Mr John Cardnell presented a full and detailed report of the Accounts for the year ended 31 December 2010. He again reiterated that the statutory accounts cover a different period and are prepared on a different basis to the annual budget and management accounts. He reminded members that the change to the budget period will mean that in 2012, the accounting period will be the same but a difference would remain as the statutory accounts are prepared on an accruals basis and comply with statute, whereas the budget and management accounts are prepared on a cash basis. The statutory accounts are a useful tool for assessing the financial performance and position of the Association on a comparative basis. He drew attention to Page 11 showing the detailed Income and Expenditure account and advised that he would concentrate on what he felt were the salient points. Contribution income has risen slightly to £395,053 which had resulted because of an increase in chargeable floor area as and when properties are extended. The net cost of the Village Hall has fallen by £3,179 due to the combined effect of an increase in letting receipts and a reduction in costs. The two other sources of income shown are Allotment rents and bank interest.

Report and Accounts for the year ended 31 December 2010 (continued)

The accounts then details Expenditure under the usual headings and a detailed analysis is provided on pages 12 and 13. Net Greenland costs have increased compared with 2009 due mainly to a reduction in Neighbourhood Maintenance recoveries. Costs relating to Hardland have increased slightly but not enough to warrant any further comment.

Administration costs also show a modest increase but no single item gives any cause for concern. Other costs have also increased slightly compared with 2009. Overall the accounts shows a surplus, before transfers to specific funds, of £38,651 compared with £46,914 in 2009.

Mr Cardnell referred to the statutory Profit and Loss account shown on Page 5 and specifically the heading Surplus on Ordinary Activities before Taxation, against which the surplus of £38,651 is shown. He advised that the only taxable income of the Association is bank interest and corporation tax of £224 is therefore payable giving a surplus after taxation of £38,427. The transfer to specific funds are deducted from this surplus. Members were once again reminded that annual transfers are made into the specific funds which the spending committees then use to meet major expenditure, the aim being to even out over time the costs of major works and capital expenditure to avoid large fluctuations in the contribution rate. A full analysis of the movements in the funds is given in Note 8 to the accounts on Page 10. The net funds have increased during 2010 as a consequence of capital expenditure (£4,455) and repair/improvement costs (£48,393) being less than the transfers into the funds from committee budgets and as at 31 December 2009 the funds totalled £157,829. This increase was anticipated and is in line with the cyclical nature of the funds.

The Balance Sheet shown on Page 6 as at 31 December 2010 indicates the assets and liabilities of the association but is a *snap shot in time*. The notes to the accounts give further detailed information regarding the headings that appear on the face of the balance sheet. Fixed assets are disclosed at a written down value of £306,085 to which is added the cost of the investment in the subsidiary of £100. Added to this is the excess of current assets over current liabilities, the working capital of the Association in the sum of £491,689 to disclose total net assets of £797,874 which reconciles to the aggregate of the specific and general funds.

Returning to current assets and liabilities, Mr Cardnell explained that the exact make up of the constituent elements changes daily so it is the net figure that is of greatest importance. A benchmark has been set so that the cash figure should exceed the balance of the specific funds which it does, cash of £183,405, specific funds £157,829. (a surplus of £25,576). The only other point to note, being the increase of £11,691 in contribution debtors, which highlights the current difficulties faced by residents.

Mr Cardnell concluded by confirming that the Association remains in a strong financial position with sufficient funds to meet its known liabilities as they fall due.

Questions from the floor were invited. Ferri Jahed (Redhill Wood) asked if there were any plans as to how the current funds available for drains would be reallocated after the anticipated adoption of the drains in October 2011. The auditor advised that it would be imprudent to spend any of the money until the drains had been adopted. There was some discussion as to the water companies' responsibility to clear blocked drains and it was explained that the companies had a statutory duty to clear blockages immediately. Lawrence Townson (Westfield) commented that we should be looking forward to this legislation being implemented and that we should be optimistic about it. Stuart Richardson (Consultant and Director) asked if the accounts could be made more *user friendly*. Mr Cardnell advised that they had to be produced in accordance with Companies Act 2006 in this format and as such the Report of the Directors and Financial Statements had to be approved in this format by the membership. Lawrence Townson (Westfield) suggested that the VA Treasurer should be in attendance at the AGM to answer general questions relating to specific enquiries about the budgets. He felt that there was no personal input at this AGM and this had also been the case at the 2010 AGM. The members agreed that the Treasurer should be in attendance in the future.

Resolved THAT: The Report of the Directors and the Audited Accounts for the year ended 31 December 2010 now submitted to this meeting be and are hereby adopted.

PROPOSED BY Mr Alan Pett (Consultant) and seconded by Mr Keith Wale (Consultant). Carried unanimously

4. SPECIAL BUSINESS

4.1 **Ordinary resolution: (Rate of Contribution)** The Chairman tabled the motion that the level of contribution should remain unchanged and continue to be £15.40 for each complete 100 sq.ft of internal floor space. He invited comments from the floor.

Stuart Richardson (Consultant and Director) considered that the proposal to keep the contribution at the same rate for a third year was a decrease in value as inflation had not been taken into consideration and he had argued this point at the 2010 AGM. He reiterated his opinion that the decrease represented a significant reduction in VA income in the region of £15k whilst representing a negligible help to residents of around 10p/household/per week. He pointed out that there had been talk at last years' AGM of inflation becoming negative and that the then proposed 'nil increase' would, after allowing for deflation, provide an increase in VA income. Inflation had not become negative and had now increased to around 4.5% and the anticipated drop in VA income in real terms had, in his opinion, taken place. He was of the firm belief that the combined effect of last years nil increase and this years nil increase would reduce the VAs real income by around £30k. He proposed an amendment to the proposal on the table:

That the level of contribution currently due in accordance with Article 63 of the Association's regulations shall be a nil increase after allowing for the effects of inflation at 4% with effect from 25 June 2011 so that the rate shall become £16.02 for each complete 100 sq.ft of internal floor space.

Mo Wright (Manor Forstal) seconded the amendment. The proposed amendment was then offered to the floor for debate. Mo Wright (Manor Forstal) expressed concern that the ongoing proposals each year of nil increases was not prudent and this practice should not continue. Ferri Jahed (Redhill Wood) pointed out that the VA could not assist residents who were unable to pay the charges. In law every household has to pay council taxes and in law there is no alternative option. It is no different in New Ash Green and every household has to pay. It was confirmed that there had never been an occasion to write off a contribution because of non payment. The Secretary confirmed residents obtaining benefits should also claim for allowances to be made for both RS and VA subscriptions as they are both necessary expenses. Stuart Richardson (Consultant and Director) opined that VA contributions were small compared to subscriptions charged by some Societies. Lawrence Townson (Westfield) questioned why this amendment had been brought up in the first place particularly as the member was a Director of the VA and had been party to the debate. He was of the opinion that Council of Management had made a decision after careful debate and he was astonished that the Council now seemed to be divided. Alan Pett (Consultant and VA Chairman) explained the principals of a cabinet style practice for debating such issues and pointed out that any member with strong feelings against a decision collectively could always resign. Stuart Richardson (Consultant and Director) thought this was undemocratic. Lawrence Townson (Westfield) thought that the argument that had been put forward for increasing the rate of contribution was solid but he did not wish to vote against the proposal for a nil increase as the proposal had been debated and agreed by Council of Management. He did however feel that if the Treasurer was unable to attend the AGM, he should have left a plan for presenting to the membership. He reiterated the need for the VA Treasurer to be in attendance at future AGMs so that explanations could be given regarding the reasoning behind making such proposals. A vote was taken.

FOR the amendment: 2; AGAINST the amendment: 15; Abstention: 1 .

The original resolution was then put and It was **RESOLVED: THAT** the level of contribution currently due in accordance with Article 63 of the Association's regulations be and is hereby maintained at the current rate of £15.40 for each complete 100 sq.ft of internal floor space.

Proposed by Alan Pett (Consultant) and seconded by Keith Wale (Consultant) Carried: FOR 15; AGAINST: 2; Abstention: 1

5. **ELECTION TO COUNCIL** In accordance with Articles 34 and 35 Mrs Susan Heads, Mr Michael Rose and Mr Terry Vivian retired by rotation and being eligible had offered themselves for re-election. There being no other nominations received they were all deemed to be re-elected.

6. **APPOINTMENT OF AUDITORS**
RESOLVED: THAT Messrs F W Berringer & Co be and are hereby appointed to hold office to the conclusion of the next Annual General Meeting at which accounts are laid before the company and that their remuneration be fixed by the Directors. **Proposed by Mr Alan Pett and Seconded by Mr Cameron Clark. Carried unanimously.**

The Meeting concluded at 9.08p.m