



Columbus Point
(MANAGEMENT COMPANY) LTD

DIRECTORS' ANNUAL REPORT

For the period 1 May 2018 to 30 April 2019

30 APRIL 2019

COLUMBUS POINT (MANAGEMENT COMPANY) LIMITED (CPMCL) DIRECTORS' ANNUAL REPORT FOR 2018-19 FINANCIAL YEAR

1. INTRODUCTION

We are pleased to present this annual report to the CPMCL Annual General Meeting.

This report reviews the period 2018-19 and presents CPMCL's strategic policy for approval by Members.



2. CPMCL DIRECTORS

To comply with the Memorandum & Articles of Association, the directors of CPMCL are owners of property on the "Columbus Point" development and are unpaid volunteers. The current directors are (in alphabetical order): Bruno Di Lieto (Dominica Court), Christine Allan (St Kitts Drive), Phil Hunt (Montserrat Villas) and Michael Steel (San Juan Court).

At the July 2018 AGM Jayne Sainsbury's directorship was ratified but due to ill health, Jayne had to resign in September. At the July AGM, Phil Hunt was appointed a director of CPMCL.

In accordance with the Memorandum & Articles of Association, one third of the directors must stand down each year and, if they wish, stand for re-election. In July 2018 Bruno Di Lieto stood down and was re-elected. Michael Steel and Christine Allan will stand down at the 2018-19 AGM.

3. CPMCL CONTRACTORS

CPMCL continues to employ local contractors wherever possible.

Water Feature Maintenance

South East Pools Ltd, (SEP) were appointed in 2015 and are based in Bexhill-on-Sea. SEP offer the right level of knowledge and range of services at a realistic cost. In April 2017 their maintenance agreement was reviewed and extended.

Electrical Contractors

1. Eastbourne-based **IWM Limited** carries out electrical repairs and improvements for CPMCL and was involved in the refurbishment including rerouting and installing under-bridge lighting and repairing and replacing in-pool lights.
2. St Leonard's-based **Carltronics** have been appointed to carry out specific work involving the legacy electrical panel systems, such as panel repairs, the autofill and anemometers.

General Maintenance

Eastbourne Home & Property Management carry out maintenance tasks and repairs for CPMCL. The firm also played an active role in minor works during the refurbishment of the Water Feature.

Grounds work (formerly landscaping)

Harbour-based **Sussex Caretakers** were appointed to take care of the small amount of weeding and path cleaning around the Water Feature, the tech rooms and on its paths.

It should be noted that the lawns, shrubbery and the shingle edges adjoining the freehold properties surrounding the Water Feature remain the responsibility of Hazelvine, who have their own contractor.

Managing Agents & Company Secretariat

In September 2018 **The HML Group** was appointed as CPMCL's property manager, replacing Fell Reynolds. HML Property Managers are based at 27-28 The Waterfront.

Legal Matters

Eastbourne solicitor, **Stephen Rimmer LLP** continues to act on the company's behalf in respect of all legal matters, including conveyancing and registering Deeds of Covenant.

Communication and Website

1. CPMCL does not use social media for its communications.
 2. Communication with members occurs through the members' bulletins (every 2 months at present) and the company's website (see 4 below).
 3. Furthermore, it does have a WhatsApp group for emergency communication, particularly where an incident on or in the Water Feature is likely to result in injury or damage to person or property. Members wishing to join that Group should email CPMCL (details at the end of the report) with their address and mobile number to be added to the Group.
 4. As a result of Brexit, CPMCL is unable to continue using its website www.waterfeature.eu and having already acquired the cpmcl.co.uk domain, during February it moved to www.cpmcl.co.uk. Please update your bookmarks.
 5. Bulletins, Conveyancing Guidelines, historical documents, photographs and emergency notices are to be found on the website.
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4. OPERATION AND MAINTENANCE

Maintenance

During the 2017-18 the focus was to carry out refurbishment of the Water Feature and its adjoining paths. This included cleaning, repairs and improvements to paths, path lights and in-pool lights, coping stones and side walls, as well as water management during the complete re-coating of the interior of the structure. More information about the cost of the refurbishment is at the end of Section 6.

As part of a structured timetable, the programme to change filtration media from sand to glass (with a lifespan of ten years) and filtration units (brominators) has been completed. Wherever possible, failed pumps have been cannibalised for parts, refurbished and returned to stock or replaced as they have reached the end of their lifespan.

SEP and HML continue to look for ways to further reduce costs including preventative measures such as long-term improvement and future refurbishment projects.

Online Maintenance & Fault Log and Asset Register

The weekly Maintenance Report is maintained by SEP and is available to both HML and CPMCL.

The online Fault Log, which includes the Asset Register, is maintained and updated by HML and SEP.

Following the move from Fell Reynolds to HML, the Asset Register was reviewed to ensure it was up to date and correct.

5. HEALTH & SAFETY

CPMCL complies with legal requirements to carry out annual Health & Safety inspections, and to comply with recommendations.

Water Quality

The contractors carry out water quality tests each week and to comply with legal requirements a quarterly Legionnaire's test is carried out. While signage around the Water Feature warns of chemicals in the water, implying that they may be dangerous, most members are aware that the water is swimming pool quality and is harmless unless ingested in large quantities or by an infant.

Electrical

The priorities set out in the Annual Electrical Survey and PAT test are complied with, and during the year electrical panels were replaced and other minor electrical work was commissioned.

Lighting

Following the refurbishment during which the path lights were cleaned, rust-treated and repainted, an annual programme is in place to check the condition of the path lights for rust, knocks and scratches and to touch up the paint where required. This should extend the life of the path lights for several more years.

For Health & Safety reasons, path light outages are dealt with as a priority.

During the refurbishment in 2018, while the Water Feature was drained, the in-pool lights were repaired and replaced. However, as they are under water there is always a slight likelihood that their seals may deteriorate or shrink. While outages are not desirable, in-pool light failures are not treated as a priority.

Signage

During the Risk Assessment in late 2018, the existing signage was evaluated and assessed as fulfilling Health & Safety obligations.

Life belts

There are four life belts around the Water Feature. One is at the Martinique Way end of Leg 1, the second is on the tech room wall near the bridge over leg 1 from St Kitts Drive to Dominica Court. The third is at the junction of legs 1 and 2 by Dominica Court and the fourth is on the tech room wall next to the bridge over leg 3 between Santa Cruz Drive and San Juan Court.

Trips, Falls & Cleanliness

The new property managers, HML, the directors and contractors have a monthly “walk-about” during which they evaluate the condition of the structure, paths, coping stones and branches overhanging the paths, and discuss work that needs to be done, and action is taken. The contractors are expected to keep all tech rooms and the storage hut clean and tidy.

The Accident Report book is held by CPMCL and to date there have been no entries.

In February 2019 CPMCL acquired an underwater vacuum cleaner to help expedite cleaning the structure and to remove debris, including sand and small stones, from the base of the structure. This will improve the overall image and cleanliness of the Water Feature.

Sussex Caretakers keep the paths clean of leaves and other debris on a monthly basis, and there are three dual-purpose bins around the amenity.

Fire Extinguishers

Fire extinguishers in the tech rooms are checked and certified annually.

Defibrillator

A British Heart Foundation defibrillator can be found by the St Kitts Drive/Dominica Court bridge over Leg 1. It was installed and is owned by First Response Learning. Should members wish to attend training or refresher courses on the use of the equipment, please contact First Response Learning on 0800 999 0100 or email enquiries@firstresponse.co.uk.

Reporting faults

Should Members notice anything that causes them concern, they should notify HML and/or the directors.



6. BUDGET AND SERVICE CHARGE

Set out below is a chart comparing the 2017-18 Budget and the 2018-19 Budget.

COLUMBUS POINT (MANAGEMENT COMPANY) LIMITED

BUDGET 2018-19

Cost Centre	2017-18 Budget	Estimated/actual spend End March 2018	2018-19 Budget
General Servicing	£15,000.00	£15,236.40	£16,000.00
Chemicals	£7,500.00	£12,633.67	£9,000.00
Lighting	£5,000.00	£5,232.39	£7,000.00
General Repairs and Maintenance	£15,000.00	£11,716.69	£10,000.00
UV Lamp replacement + Filtration Media	£7,100.00	£3,427.69	£5,000.00
Electricity	£3,000.00	£3,003.83	£4,000.00
Water	£9,000.00	£10,296.63	£10,000.00
Landscaping	£1,000.00	£720.00	£1,000.00
Insurance	£3,500.00	£3,338.36	£3,500.00
Health & Safety	£2,500.00	£3,430.40	£4,000.00
Management Fees	£17,712.00	£17,712.00	£18,000.00
Company Secretary	£915.00	£915.00	£1,000.00
Certification of Accounts	£450.00	£390.00	£400.00
Company Expenses	£2,000.00	£1,438.70	£4,000.00
Legal Fees Recoverable	£500.00	£175.00	£3,000.00
Special Projects			
Total Management & Maintenance Budget	£90,177.00	£89,666.76	£95,900.00
General Reserve	£32,000.00		£25,000.00
TOTAL	£122,177.00		£120,900.00
Refund of Surplus	-£5,000.00		0
	£117,177.00		£120,900.00
1/369th =	£317.55	1/369th =	£327.64

Service Charge Comparisons

Year	Contribution to General Reserve	Service charge
2014-15	£19,331.91	£406.75
2015-16	£32,000.00	£350.55
2016-17	£32,000.00	£298.45
2017-18	£32,000.00	£317.55
2018-19	£25,000.00	£327.64

Debt

It remains a major commitment that CPMCL will continue to pursue debtors and recover both arrears and the costs of recovery.

Despite the void created by the move from Fell Reynolds to HML, at year end less than £100 remained outstanding.

Current Insurance

The Water Feature is a unique “risk” and since 2014 cover has been provided through broker, A J Gallagher, piggy-backing on the group-wide multi-purpose cover they provided to the Persimmon Group. While the building reinstatement and contents cover contained in the policy exceed CPMCL’s requirements, the policy provides cost and risk benefits that other brokerages have been unable to match or, in many cases, cover.

Through A J Gallagher, CPMCL has Property Owner’s cover with Covea providing £10,000,000 for public liability (and £3,250,000 for building reinstatement and contents).

Through HML, the company has the Directors & Officers’ cover for £1,000,000 with AXA.

Other potential insurance

The board has investigated (and rejected) Engineering Insurance which by definition will cover against “mechanical breakdown and sudden unforeseen damage”. It is unlikely that an insurer will readily accept claims for older legacy hardware and the new equipment is, for the most part, covered by manufacturers’ warranty. CPMCL has in effect self-insured and over the past 5 years CPMCL has replaced equipment as and when required without resource to the General Reserve fund.

Building Reinstatement cover has also been looked into. This provides cover for damage or destruction of the structure. However, given the unique nature of the amenity, it is envisaged that the only kind of event that would severely damage or destroy the structure would be treated as “acts of God or terrorism”, the likes of which no insurer will cover. Furthermore, cover of this kind is costly (with an annual survey fee of £1,140.00 including VAT before the premium) and relates mostly to buildings rather than an amenity such as the Water Feature. HML will continue to look into whether there is any value in having cover of this kind.

Water Feature Refurbishment Programme

Between 2017 and late 2018, the Water Feature was refurbished. The re-coating of the structure started at the end of February 2018 and ended in September, when “snagging” work was completed.

More information about the refurbishment programme is contained at the start of Section 4.

The cost of the full refurbishment and improvements was £120,370.70, which was paid from the General Reserve.

7. The Special & General Reserve funds

Chart 1 below shows why the lump sum (“Special Reserve”) and contribution to Legal Fees came to CPMCL.

In the 2014-15 financial year, the new board of directors committed to notionally hold the lump sum Persimmon contribution of £200,000 as a “Special Reserve” for a period of five years (sufficient time to prove viability of both the company and the amenity) before making any decision about its use.

Chart 2 below shows that despite having completed the full refurbishment of the amenity in 2017 and 2018, CPMCL still holds more than £257,000 in total reserves (Special plus General but excluding the contribution to Legal Fees). With even the most ambitious of projects and improvements, this is an exceptionally large amount of money.

At present the Special Reserve is reflected separately only “notionally” in CPMCL’s reports to members; in other words, it is not kept in a special account.

It is intended to present a Proposal relating to the Special Reserve to members at the 2018-19 AGM being held on 11 July 2019. Members will be asked to vote (in person at the meeting or by proxy vote if they are unable to attend the meeting) on whether it is or is not acceptable.

More information will be available separately.

Chart 1 – Special Reserve Summary

Lump sum (“Special Reserve”)		
1. Compensation	£200,000.00	<p>Monies received from the developers at handover thereby finally releasing their responsibility.</p> <p>The negotiated figure was deemed to represent the amount of money which should have been deposited in a sinking fund over the period up to handover date. This was a sweetener to encourage the owners to take over and run the management company in accordance with the Section 106 agreement.</p>
2. Legal fees	£31,400.00	The amount of money negotiated from the developer on handover by way of contribution towards possible/potential legal costs for the directors.
<p>Although the amounts shown were negotiated individually, the £231,400.00 was transferred to the Company unconditionally to be used as the Company and members see fit and its use is not restricted.</p>		

Chart 2 – Status of the General & Special Reserves

GENERAL RESERVE		SPECIAL RESERVE		TOTAL RESERVE
General reserve 2018-19 FY	Balance	Lump Sum	Legal Fees	
2014-15	£19,331.91	£200,000.00	£31,400.00 Legal Fees remain separate from the lump sum contribution	
2015-16	£33,100.00			
PHL contrib	£36,000.00			
2016-17	£32,000.00			
2017-18	£32,000.00			
2018-19	£25,000.00			
	£177,431.91			
Less 2017-18 Refurbishment costs	£120,370.70			
General Reserve balance 30 April 2019	£57,061.21	£200,000.00	£31,400.00	£288,461.21

8. JOIN THE CPMCL BOARD OF DIRECTORS

CPMCL and the Water Feature belong to the members of the company. It is therefore in everyone's interest to have an active board of directors, even if time, skills or experience are limited.

At the handover four volunteers agreed to become directors and for the past five years a series of volunteers have devoted their time and knowledge to manage the company. Two of the original directors continue to be directors.

The members of CPMCL owe a debt of gratitude to past volunteer directors (Ray Blunden, Richard Moakes, Sandra Cheesman, Sylvia Stephens, Peter Burgess and Jayne Sainsbury) whose work on behalf of CPMCL has been priceless.

The current directors have committed to fulfil their obligation to responsibly manage the company and to maintain the Water Feature on behalf of the members, to control costs and to make decisions that will benefit CPMCL's members.

Should no new directors come forward, to comply with legal requirements CPMCL might have no choice but to exist with an inactive board and to delegate day to day management to the company's property managers. This could result in the condition of the Water Feature deteriorating, delays in carrying out repairs, higher management fees, increased debt, lack of accountability and control over decision-making and expenditure, mistakes being made and, of course, the annual service charge is likely to significantly increase.

It is therefore essential to hear now from volunteers to join the board, to learn as much as they can about the business and then make an informed decision about whether they wish to continue as directors, with or without responsibility.

9. CPMCL FUTURE PROJECTS

To help reduce costs by reducing the number of future breakdowns and faults, the directors believe that planning for continuing work to the structure and plant will always be necessary, and an essential investment.

The last Five-Year Plan included the complete refurbishment of the Water Feature, its paths and lights, plus improvements, all of which were completed in 2018. The nature and longevity of the new coating means that the company need not set aside such large amounts as rapidly as in the past for a future refurbishment of the structure.

The creation of a planned maintenance programme - in respect of work that was carried out during the repairs to and refurbishment of the paths, lights and coping stones - will also ensure that their life-span will be extended.

Below are some of the projects currently being considered.

Five Year Plan – 2018 onwards (in order of priority)

- **Anemometers (wind sensors)**
Repair/replacement of the sensors. The sensors, which were installed around ten years ago, have proved to be something of a technical challenge. It is believed improved technology exists which is currently being investigated. This work is on-going and likely to be completed in 2019-20 FY.
- **Improvements to the Operations & Maintenance Manual**
Drawings, wiring and pipework diagrams. The existing manual was written pre-handover in 2014 by the developer's contractor. Improvements and acquisition of new equipment and media have occurred since then, so this is high priority and on-going.
- **Electrical improvements**
This project is to change the current clocks and timers from analogue to digital. This is medium priority and likely to be carried out during 2019-20 FY.
- **Environmental improvements**
Foam jet covers, enhancing the jets to help illumination and soften sound. This is likely to be deferred to 2020-21 FY or beyond.
- **Using solar power**
While solar power for the Water Feature may be both complicated to facilitate and also expensive, it is anticipated that in the next five years or so improvements in the technology and lower pricing may make this a worthwhile project to investigate. This is a low priority project and is likely to be looked at in greater detail in 2023-24 or beyond.
- **Cosmetic improvements**
Replacing the 8 finials on 4 tech rooms. This is low priority and will be looked at with when an opportunity arises.

- **Rainwater recovery**

This board does not have the resources or time for this and research suggests that it may be more difficult than first appears and the cost may outweigh the benefits. Consequently, this is being treated as a low priority project.

10. CPMCL POLICY FOR 2019 – 2020

- a) The CPMCL Board of Directors will continue to seek to achieve the maximum benefits for Members by establishing and maintaining a visually attractive and aesthetically pleasing amenity at a viable and affordable cost.
- b) CPMCL continues to realise this policy through its partnership with a selection of cost-effective, highly capable contractors, together with regular reviews of the performance of these contractors (and sub-contractors), frequent monitoring of the condition and quality of the Water Feature, continuous review of projected and incurred costs, and an ongoing focus on balancing the mandate for a fully operational, viable Water Feature against the need to constrain and reduce near-term and long-term operating costs.
- c) CPMCL will abide by its 'contract' with Members as set out in the Deeds of Covenant and Articles of Association. CPMCL is fully cognisant of the fact that the income to manage the amenity is generated from the service charges levied on Members and that any shortfall in income would have to be recovered in the short-term from Members. Therefore, CPMCL will continuously uphold a policy of recovering, to the maximum extent possible, all debts arising from non-payment of the service charges.
- d) CPMCL requires the contracted Property Managing Agent responsible for the management of the amenity, to take all necessary actions and to proactively implement appropriate management procedures to ensure that the policy and objectives set out herein are achieved effectively and efficiently.
- e) CPMCL delegates responsibility for the day-to-day management of the amenity to HML Property Managers who may use its discretion to determine the best means of enacting CPMCL's requirements. In addition, HML is to advise CPMCL on the recommended best practice to achieve those requirements and objectives. HML is also to advise CPMCL if any elements of the policy cannot be implemented fully or any objectives that are forecast to be unachievable.
- f) CPMCL will continue to keep Members fully informed via the Water Feature website: www.cpmcl.co.uk and through regular email bulletins. If you have not joined the mailing list, please contact directors@cpmcl.co.uk to be added.

11. AND FINALLY

The directors have done their best to present CPMCL members with an attractive, cost effective and working Water Feature.

All members who live in the area can play their part in helping to keep down the annual charges by keeping an eye on the feature, and by quickly reporting faults and unsociable behaviour.

The Directors, CPMCL

30 April 2019

directors@cpmcl.co.uk

www.cpmcl.co.uk

ANNEX – CONTACTS - Water Feature Faults and Issues



CPMCL

For general enquiries about the Water Feature or to join CPMCL's emailing list for regular bulletins - please contact the CPMCL Directors by sending an email to: directors@cpmcl.co.uk.

More information and news about the amenity can also be found on the company's website www.cpmcl.co.uk.



To report Water Feature faults or problems please contact CPMCL's appointed Property Manager, Wutt Suttasuntorn.

Telephone: 01323 819365

Email: wutt.suttasuntorn@hmlgroup.com



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