



LONDON
SQUARE



Management Company Charter

Inspired by the ethos of London's famous squares, and the legacy and sense of community they have created over the centuries, London Square is committed to shaping exceptional properties that reflect the aspirations of our residents, stimulate thriving communities, and set a new benchmark for modern living in the Capital.

Instilled in the core of the Management Company, our mission is to make a difference to people's lives which continues once residents have moved in. The Company is there to oversee the communal and estate areas across every

London Square development, with an appointed managing agent to assist on its behalf.

Our commitment to you as a London Square homeowner, is to maintain the London Square development in which you live, so you can take comfort in knowing it will be well looked after and that you can trust that the development and the Management Company will be handed over to you, as a collective of homeowners on the development after the final completion takes place. As a member of the Management Company you also have the option to become a Director of the same.

WHAT IS A RESIDENTS' MANAGEMENT COMPANY?

When a group of properties share communal facilities, a residents' management company is established to manage all aspects of the maintenance and upkeep of these areas and the services such as gardens, lift maintenance, cleanliness, decorations, roofing and relevant insurances. The residents' management company can either arrange all works and contracts themselves or they can appoint a managing agent.

The residents' management company is a non-profit company.

WHAT IS A MANAGING AGENT?

If the residents' management company do not wish to deal with the day-to-day upkeep of the communal areas, facilities and grounds, they may elect to appoint a managing agent who will take over these duties. The managing agent is a person or company appointed to manage the property in accordance with the terms of the lease and statutory requirements. For an agreed fee, the service and estate managing agent will collect the service charges from the residents, set the annual maintenance budget, obtain quotes and best prices for maintenance works, instruct and deal with cleaners, gardeners, maintenance workers and pay bills and insurances.

WHO RUNS THE RESIDENTS' MANAGEMENT COMPANY?

When a residents' management company is first established, London Square directors and/or our solicitors will be the directors of the residents' management company and we will usually appoint a managing agent to oversee the day-to-day duties. As each property on the development is sold, each new owner becomes a member of the residents' management company.

Once all the properties on the development are sold, we will fully hand over the residents' management company to the residents of the development. As part of this process 2 residents must be appointed as directors.

WHAT ARE THE BENEFITS OF BEING A DIRECTOR OF THE RESIDENTS' MANAGING COMPANY?

- Control over whether or not a managing agent is employed and if employed, which agent
- Ability to change managing agents if deemed appropriate
- Clear control over the day-to-day maintenance regime allowing the residents to determine elements such as how often communal areas are cleaned and the grass mowed
- Potential cost savings brought through control of maintenance
- Control over the number of meetings held in any year
- Control over service charge budgets and contingency funding

HOW TIME CONSUMING IS IT BEING A DIRECTOR AND DOES IT REQUIRE FINANCIAL KNOWLEDGE?

Other than the time spent attending meetings (usually no more than 4 per year) there is little day-to-day involvement because the appointed managing agent will deal with the majority of queries and arrangements.

The role requires the willingness to read and understand simplistic annual company accounts, no financial knowledge is needed as the managing agent will deal with the bookkeeping throughout the year.

The role of a director encompasses the following:

- To attend periodic meetings including a yearly AGM
- To sign off the residents' management company's financial records each year
- Usually, the term of a directorship is 12 months

For more information on management companies and managing agents please refer to www.arma.org.uk