



5 July 2016

THE FUTURE OF THE ENFIELD ISLAND VILLAGE IS IN YOUR HANDS

Don't be complacent and vote!

Dear Owners,

In the wake of yet another EGM scheduled for 14 July 2016, I am compelled to write to you as my last attempt to assist you to make an informed decision.

I became a Trustee in July 2013 because I looked at what was happening with the village funds and the pitiable state of it was in and decided that uninformed and unsuspecting owners were taken for a ride.

Trustees are expected to volunteered 2 remunerated hours per month.

I want to assure all of you that as I was retired due to health reasons I was not looking for a job nor will I ever again accept such an appointment.

Be that as it may during my 2 years of service the Trustees were constantly changing so there was never stability in the Trust. My company, ICRI LTD, was offered the contract to manage the Trust's business at which time even though I stayed on as Trustee I decided to abstain from voting on all matters. My company's remuneration for that contract was well below that which Amber was previously paid. In the following year I informed the board that I was no longer prepared to continue for the meagre fees I agreed in the previous year, so the Trustees offered me a new contract for a similar amount as previously paid Amber 2 years earlier.

Some of the opponents to my appointment were perturbed because my company would be paid for its work. I could not believe that reasonable people would expect anyone to work full time for free, after all the Trust was previously paying those fees for a slap dash job to the previous management. Furthermore, I assisted in reducing the Trust's costs by over £100,000 per annum.

TO SET THE RECORD STRAIGHT

1. The Trustees took over control of the finances from Amber in November 2013.
2. Amber's contract was terminated in December 2013 but the contracts already previously in place were terminated in March 2014.

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3. After taking over the management, the village became a sought after location because it was cleaner and service charges cheaper.
4. Due to the constant bickering, the Charities Commission appointed the Interim Managers in September 2015 to investigate mismanagement. **Compare the state the village is in now that it is managed by the Interim Managers and the note that the Rentcharge is now increased by 33%.**
5. Twice, on 28.04.2014 and 21.05.2015, we held independently monitored elections supervised by an independent election provider, ERS.
6. Both times we were elected by an overwhelming majority (66.7% in favour 33.3% against). The against total being 60 votes most of who I suspect voted against because they believed false malicious rumours that we were "pocketing the money."

This accusation can be no further from the truth and this is the only **logical conclusion** that would make common sense after looking at the following facts:

- In October 2013 we took over total net assets (**cash, debtors, properties less creditors**) of £773,997 as stated in the examined accounts as at 31.03.2014.
- As manager I reduced your Rentcharges for each year (2013/2014, 2014/2015 & 2015/2016) from £235.92 to £150.00 saving all owners £85.92 per annum, (collectively £364,218).
- In October 2015 I prepared management accounts to assist the Interim Managers with the "mismanagement" investigations. Those accounts showed that the Trust had anet asset value of £919,069. These accounts are available to download from www.eivt.co.uk

THE LOGICAL CONCLUSION

Even though I was a Trustee from July 2013 I officially started managing on 01.04.2014 with £773,997 total assets received from Amber. The Rentcharge for the preceding year as well as the following 2 years were reduced by £364,218 yet the Trust ended up on 30 September 2015 with £919,069 (£145,072 more than what we started with).

THESE FIGURES ARE A FACT! SO EXACTLY WHICH MONEY DID MY ACCUSERS SUGGEST I POCKETED?

Further and to be perfectly clear I can categorically assure you that all the Trust's monies are with the Trust and **NOT IN MY POCKET** as some continue to believe. The Interim Managers breached my contract and proceedings for recovery will be issued in due course! I offered the Interim Managers a solution but it was flatly

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rejected.

I now turn to the current year's Rentcharge of £200 and the **33.33% increase**.

- The **OPERATIVE PROVISIONS** of the Rentcharge document states...

1. In consideration of the covenant by the residents association herein contained the grantor with full title guarantee hereby grants the Residents Association a perpetual yearly Rentcharge (authorised by the Rentcharge Act 1977) comprised of:

1.1. a fixed sum of £1 (one pound)

1.2. a variable sum (hereby called the variable sum) computed annually to the 31st day of March in each year representing the Residents Association expenses outgoings and other heads of expenses as set out in part II of the Second Schedulesuch sums to be calculated and paid under the terms of the First Schedule

As I explained above, the Trust should have in hand net assets of £919,069 and this does not account for the capital appreciation of over £180,000 of the 2 properties combined together, giving the Trust net assets of over £1.1 million.

As the Trust is a not-for-profit organisation we can safely expect that any surpluses of previous years should be used before further **VARIABLE SUMS** for Rentcharge are levied. The Trust has retained surpluses and has not applied a basic principal of accounting, the "ACCRUALS CONCEPT" and as it is in funds to the tune of over £1 million it now possesses adequate funds to finance its objective in accordance to the governing document. (i.e. to maintain the infrastructure of the village). My suggestion to all of you is to seek independent advice on this point. I personally believe that the Trust will be at a disadvantage to argue that it should recover more than £1 from each of us while it is in funds for £1.1 million.

You can read my letter to the Interim Managers from www.eivt.co.uk which also puts questions on the budget itself.

THE EGM

The aim of this EGM is to amend the Memorandum & Articles of Association (The Governing Document) of the Trust.

To achieve this it requires 75% of the votes to be in favour.

Beware! I urge you to study the document carefully to ascertain why **YOU SHOULD VOTE AGAINST THE CHANGES!**

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Please note that you are put in a position where if you are complacent the decision making will be taken away from the owners forever. I know you think this to be politics and you feel that you had enough and you would rather not be involved. Unfortunately we all became involved the day we purchased our property at the village; this is neither politics nor is it financially motivated.

Personally I simply became a Trustee because I was not prepared to sit on the sidelines and watch the constant injustice to owners at the village.

Before I became a Trustee, to a great extent owners were unaware of any facts pertinent to their properties. I introduced awareness to the village so please don't let it all be destroyed! **VOTE AGAINST** the changes to the Memorandum & Articles of Association and also become a Trustee because I am no longer prepared to continue fighting for you.

WHY SHOULD YOU VOTE AGAINST?

a). For example the proposition is that tenants and Councillors (who do not own property) can and should be appointed as Trustees and decided for your properties and yet these two groups do not pay the Rentcharge. So what incentive will these two groups have to care or even worse not to increase our Rentcharge to, for example, £500 p.a. per property or even more and if they did so which one of you will spend the money to oppose it in court?

b). When did the council do anything for the village? They do not consider our roads as public roads and although we are all paying rates they still expect us to pay for the bins, the cleaning of the roads, the fly tipping, the abandoned vehicles etc etc?

c). **Why are we a charity?** We are a Residents Association! You can dress a chicken as a peacock yet it will always be a chicken! Let be honest, we do not do anything charitable! We pay a Rentcharge to maintain the village infrastructure and since we became a charity, the Charities Commission decides our fates and overrules your decisions, as they have in the past when they appointed the Interim Managers to purportedly investigate mismanagement and pay them tens of thousands from your Rentcharge funds for a report that never came and we had no say in the matter. **So where is this mismanagement report and how much did they charge the Trust for it?**

d). Finally, it is preposterous to suggest that the current Trustees who gave their time for free and achieved more than ever before are investigated for mismanagement and if this organisation was mismanaged why are they using my accounting system **illegally acquired as it is my intellectual ownership** to run the Trust now?

h). Another proposal is to turn the Trust into a business to invest and purchase property and investments etc. Being a business exposes it to systemic risk and risk make losses.

i). The proposed changes to the governing document will permit the Trust to invest your Rentcharge money by engaging the services of FSA qualified persons to advice on investments. Is it not these type of qualified FSA experts who invested public pension money which today are mostly worth less than the initial investments made? Furthermore, do you really want tenants, councillors and Trustees altogether to make decisions based on the advice of these experts to invest our Rentcharge contributions?

Since 1999 property values were constantly increasing in UK (except at the village where they remained stagnant). Properties increased in value at the village after 2013 when I started managing the village. Was this a coincidence?

When I purchased my home at the village I did not envisage that I will become an unwilling investor in a company which is a registered charity and as such the Charities Commission can appropriate all our funds elsewhere at any time without reference to any of us. All they

have to do is to come up with a reason or excuse to deregister us as a charity and all the money will be given to another Charity with a similar abject close. They already overturned your vote twice and they will continue to do so until they get their way. Do you trust them to act properly?

Since my appointment I achieved wonders for the village and the Charities Commission destroyed it all overnight just because I upset one of the civil servants by questioning his competence to offer legal opinion; in hindsight a regrettable action but unfortunately I tell it as it is! Read my previous representations all available to download from www.eivt.co.uk.

I must point out that the Charities Commission is an honest, well placed organisation and the intention for its existence was well thought, yet it is at times as good as its worst employee.

IRREGULARITIES

Although most of the changes proposed to the Memorandum and Articles of Association are quite reasonable, many are prejudicial to all of you and very unreasonable. What they should have done is to propose a vote for each change and not **ALL OR NOTHING**.

If you do not vote against the proposed amendments, tenants (who are not owners) will be making decisions for us the owners. Why should we allow this?

The Interim Managers appointed themselves directors. The Articles of Association 32 (h) state that a Trustee ceases to hold office ***“if he ceases to be a member of the Company.”***

Neither of the Interim Managers are owners of property at the Village, as such they cannot become members and as they cannot become members they should not have appointed themselves as directors. **This is the law!** It therefore follows as they are not directors and only directors can call for an EGM or if 5% of the members requisition it, this EGM was illegally called. Being solicitors, they should have known this so what is the reason for their behaviour? Is it negligence or wilfully trying to fool us all?

When we held elections we had the common sense, for the first time in the Trust's history, to hold fair elections by employing the services of ERS, an independent elections provider. To the contrary now the Interim Managers are holding these elections and they are the organisers as well as the adjudicators. **No independent election providers to oversee these elections!** Their behaviour and the clock and dagger attitude this far offers very little confidence and Trust in their intentions or their objectivity.

Finally, to summarise everything that precipitated matters to this point, events point to the reason of the appointment to be something other than to investigate mismanagement or the validity of our elections and if that is correct, what is the real reason?

This will be the last communication of help I will offer and as time is a great judge, time will tell and I hope it is not too late.

Yours Truly,
EIVTM