**Twenty Macleay Street Limited**

**Report to Shareholders: 2015**

The main priorities over the past year at Twenty have been:

* western façade remedial project;
* implementation of Emergency Management Policy to improve safety and security;
* assessment of medium and longer term capital works and funding issues; and
* analysis and publication of the Property Value Monitor, setting out changes in market prices for shares at Twenty compared with other local and Sydney wide real estate investment alternatives.

This report provides shareholders with an update on these activities, set out under the four committee reports below.

**Legal and Audit Committee**

This committee comprises Mark McDonnell (Chair), Brett Gebers, Peter Smyth and Malcolm Richardson. This Committee has day to day responsibility for budget preparation and the company’s financial accounts, as well as legal issues such as contracts and ensuring the company’s legal obligations are properly discharged.

The Financial Statements for the year to 30 June 2015, prepared by Tinworth and Company, auditors, shows that total income was $416,285, slightly above the budget of $412,000 presented in last year’s report. The main factor in the better result was higher interest received, due to the delay of the western façade project and a resulting higher cash balance.

The detailed Profit and Loss Statement at the end of the Statements shows a breakdown of expenses for the year, which were $310,110 excluding tax of $545. This was less than half the total estimated outlays of approximately $750,000 provided in last year’s report, due to the delay of western façade works, expected at the time to cost $470,747 but subsequently revised higher as the complexities of the project have become more apparent. The current status of the western façade refurbishment project is discussed in more detail under the Building Maintenance Committee report, below.

The main variations to forecast expenses, excluding western façade and associated consultancy costs, were as follows:

* Other building maintenance costs were $132,897 compared with $100,000 projected;
* Management fees including meeting costs were $16,723 compared with $16,000 budget;
* Insurance costs were $21,999, below the $30,000 forecast;
* Legal and accounting costs were 24,017, or around $15,000 above the $9,000 provision;
* Cleaning costs of $22,799 compared with a prior estimate of $21,000;
* Utility costs were $88,381 against a budget allocation of $60,000; and
* Other administrative costs of $3,294 were less than the $6,000 allowed in the budget.

In short, there were three main areas of higher than expected costs: building maintenance, legal and utility expenses. A brief explanation for each of these variations is appropriate.

Building costs were $32,897 higher than the original budget provision due to an increased emphasis on interior works, and particularly the electrical re-wiring and security related outlays, as directors were able to focus on accelerating repairs and improvements due to delays in the western façade project. The main categories of the repairs and maintenance expenses in FY15 were:

|  |  |
| --- | --- |
| Electrical replacements and repairs | $67094 |
| Plumbing and related costs | $17950 |
| Fire protection and equipment | $13048 |
| Security system | $12566 |
| Lift service and maintenance | $6620 |
| All other repairs and maintenance | $15619 |
| Total | $132,897 |

The legal costs related to last year’s work on amendments to the company’s Constitution was $15,500 which was the single largest expense in this account category and is the reason for the variation to the budget provision for legal and accounting costs.

Utility costs were $28381 higher than expected, due to a one-off bill of $31935 from Origin Energy for a gas service for a period of almost 3 years, from May 2012 to February 2015. The excess costs here are non-recurring.

Other and much smaller variations to the expense side of the company’s budget were due to factors such as an increase in monthly cleaning costs from $1700 to $1800 and some timing issues on payments such as three half year payments (rather than two) for meeting room expenses. These cost overruns were more than offset by lower insurance and other administrative charges.

Turning to the current financial year (FY16), the directors have approved the following budget:

|  |  |
| --- | --- |
| **FY16 Budget** | $ |
| Opening cash | 544272 |
| Levies | 400000 |
| Other income | 12000 |
| Total cash resources | 956272 |
| Western façade works | 520000 |
| Consultancies | 20000 |
| Other building maintenance | 160000 |
| Fire protection/ monitor | 20000 |
| Legal and accounting | 12000 |
| Utilities | 65000 |
| Management fees | 15000 |
| Cleaning | 23000 |
| Insurance | 22000 |
| Other admin costs | 6000 |
| Total outlays | 863000 |
| Estimated closing cash | 93272 |

As in prior years, the directors re-affirm our intention to maintain levies at the 2010 level until the end of 2019 calendar year, to fund major capital works identified as part of a ten year program. Accordingly, the total income for the year to 30 June 2016 is estimated at $412,000, in line with last year.

The main expense item is the western façade project which has now begun and is scheduled to be completed before the end of 2015. The scope of works for this project has increased in light of a more detailed understanding of the problems with lintel corrosion, associated cracking of brickwork and need to improve waterproofing, together with more complex fabrication of custom made windows and associated support structures, leading to a higher provisional estimate of $520,000 plus $20,000 consultancy costs, compared with last year’s forecasts of around $490,000 in total.

In addition, there is a substantial provision for other building maintenance works to continue, with $160,000 allocated (in addition to $20,000 fire protection costs). A substantial proportion of the $160,000 is allocated to continuing “phase 2” electrical work as well as painting and decorating of the building entrance (on completion of western façade structural works).

Other categories of expense are broadly in line with the company’s recent outlays. The directors will continue to remain vigilant in seeking to contain all costs and continue to operate with close regard to competitive tendering practices and the maintenance of overall budget discipline.

Twenty is now more than half way through our 10 year capital works program and over the past year careful attention has been given to the priorities and sequencing of remaining identified projects so as to complete the program on time and on budget.

On-going painting and decorating of the internal “common areas” will be undertaken within the standard operating budget, outside the special levy component of the company’s funding. Over the remaining years to 2020, we expect to repaint and re-carpet these areas progressively. As mentioned above, in the current financial year the priority is to re-fresh the main entrance to the building, outside the entrance doors, to be followed by improvements to the lower ground floor entrance and hallway next year (FY17).

The company’s ten year plan has been based on calendar rather than financial years and the revised timetable and works to end of 2019 is set out in the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | ***Sources*** | **$'000** | ***Uses*** | **$'000** |
| **2016** | Opening cash | 4 | Phase 2 - continuing | 84 |
|  | Capital levy | 200 |  |  |
|  | Total | 204 |  |  |
| **2017** | Opening cash | 120 |  |  |
|  | Capital levy | 200 | Phase 2 - completion | 80 |
|  | Total | 320 |  |  |
| **2018** | Opening cash | 240 | Nil | 0 |
|  | Capital levy | 200 |  |  |
|  | Total | 440 |  |  |
| **2019** | Opening cash | 440 | North & east facades | 640 |
|  | Capital levy | 200 |  |  |
|  | Total | 640 | Closing balance | 0 |

The opening cash balance of $4,000 refers to the estimated position at 1 January 2016 and is based on deducting the budgeted provision for western façade and associated consultancies ($540,000) from the 30 June 2015 cash balance of $544,000.

The capital levy of $200,000 is unchanged from earlier published versions of the 10 year plan and comprises both the sinking fund contributions and special levies currently in place.

The “uses” column shows the two substantial remaining components of the 10 year plan: the “phase 2” electrical work, currently underway. It is scheduled for completion in 2017, and the structural remediation of the northern and eastern facades, originally scheduled to be undertaken at different times is now seen to be most cost effectively managed under a single works contract, in the final year of the 10 year plan.

Phase 2 electrical work refers to new wiring from the mains risers on each floor, into each apartment, terminating with new internal circuit switches, typically located inside a kitchen cupboard for ease of access. Phase 2 also involves replacing the old meters and wiring in the stairway landings of each floor. The contract for this work was awarded to Advanced Fire and Electrical Pty Ltd, the firm that completed the “phase 1” work for the company previously (new mains distribution into the building and up the main services riser). To date, phase 2 has been completed on the 1st floor and is well advanced on the 6th floor and will proceed progressively across all floors and apartments over the next two years.

The final stage of the re-wiring of Twenty is described as “phase 3” and involves removing all old and dangerous wiring inside apartments. Over the past year the directors have considered the need for and timing of this work to be undertaken. As with other aspects of the company’s remedial works, careful investigation combined with expert advice has shown the state of existing wiring to be poor and in need of prompt action to ensure it is replaced in a timely manner.

This requirement has also been assessed in light of the company’s financial and legal position. The directors have resolved that “phase 3” electrical work needs to begin as soon as possible but must be funded by shareholders directly as it firstly is internal to each apartment and secondly does not form part of the current 10 year program of capital works.

To their credit, some shareholders have already replaced old and disintegrating wiring inside the apartments they rent or occupy, but in most cases there is at best only partial replacement and in some cases, little or no re-wiring has occurred since the building was erected in 1936 and will in due course become a fire hazard for the entire building!

In June the directors concluded a thorough review of the company’s Constitution, historical practice and financial position to arrive at a definitive policy on the demarcation of company and shareholder expenses. This statement is available on the company’s website: [www.twenty-macleay.com](http://www.twenty-macleay.com), but for convenience is attached as an Appendix to this report. Apart from addressing the split in re-wiring costs, where the company will meet phase 2 costs and shareholders are directly liable for phase 3, the Demarcation Statement sets out a comprehensive view of the appropriate funding of various building elements associated with apartment interiors.

After the 2015 AGM, where this demarcation will be discussed in more detail, letters will be sent to shareholders outlining the proposed timing for phase 3 electrical upgrades and anticipated costs. The objective is to provide all shareholders with as much advance notice as possible as to when this work is to be carried out, which for all shareholders will ensure more than 12 months’ notice is given, and in many cases, more than 2 years. Undertaking the necessary works over a 3 to 4 year period assumes no adverse decisions from the company’s insurers relating to the urgency for this work to be completed; if this assumption proves to be overly optimistic a faster implementation may become necessary.

Beyond the re-wiring of the building, the Demarcation Statement makes clear where responsibility for the costs of repairs, renovation and refurbishment of apartment interiors lies. Over the past year it has been increasingly apparent that some shareholders seem to believe that the company could and should meet all expenses associated with the wear and tear of apartments within the building, despite our Constitution setting out very clearly that this is not the case. It is hoped that the Demarcation Statement will assist all shareholders in having a much clearer view of the actual position and, as with the publication of other policies, ensure a fair and consistent application to all.

Another aspect of this demarcation deserves some comment at this time; namely, the scope of the current 10 year capital works program, and the areas being left for the future. By 2020 the directors expect that all the elements of the 10 year plan will have been completed on time and on budget. The scope of these works encompasses structural repairs to the 4 exterior facades and roof, complete electrical re-wiring throughout the building (with phase 3 paid directly by shareholders for each apartment), a new lift, refurbishment of the ground floor foyer and other common areas on each floor of the building, other general improvements, relating to access, storage and security. In summary, these are the capital improvements we aim to deliver by 2020.

The largest and arguably most important of the issues that will not be captured in this program of works concerns the plumbing and waterproofing of the building. The exception is for new drainage stacks to be included as part of the northern façade works. Over time, similar stacks on the south side will be added, to replace the aging internal drainage stacks. The intent is for new kitchen and bathroom drains to be progressively installed in each apartment to completely by-pass and replace the existing internal drains and drainage stacks.

Where specific waterproofing and plumbing problems arise over the next few years, the intention is to carry out the necessary repairs but to avoid large scale replacement until the major plumbing works refurbishment can begin in the next decade. This plan assumes that the existing infrastructure will continue to serve the building and its residents adequately for another 5 to 10 years. Accordingly, our base case is for a staged approach and gradual remediation of the aging plumbing within the building. In the unlikely event of a more urgent solution becoming necessary, directors will adjust the plans accordingly.

Hopefully, this disclosure gives all shareholders a better appreciation of the approach the company is taking to address all the elements of the repair and maintenance of the building over the medium to longer term, as well as the funding sources for such works. The Demarcation Statement sets out specifically what parts of plumbing and other works associated with apartment interiors the company intends to fund, and what elements of future works need to be funded directly by the shareholders for each apartment.

No doubt shareholders will want to know what this means for levies. The directors intend to keep the existing levies in place until the end of 2019 as we consider the existing levies should be adequate to complete the major program of works identified in this and earlier reports. As we move progressively towards 2020, the need to increase levies should only arise if, for some reason outside the directors’ control, there was an unexpected increase in building costs, or if it became necessary to accelerate the capital works program; for example, to re-wire the building more quickly than anticipated or to address a major or systemic failure in the plumbing, drainage and waterproofing of the building. At this time, we see no immediate prospect of either eventuality, but consider it prudent and in shareholders’ best interests to be alert to the possibility. These are the main risks to the company’s medium term financial planning, but our experience to date is that these risks have been avoided.

Over the next year, the directors will continue to develop the medium to longer term plans more fully and we expect to be in a position at next year’s AGM to provide a clearer indication of the likely level of levies from the start of 2020, so as to continue with the progressive refurbishment and replacement of the building’s main services infrastructure. Our ambition is to provide for some reduction in the existing levies, and we would hope to be more specific about the extent of such a reduction at that time.

**Building Maintenance Committee**

This committee comprises Keith Cottier (Chair), Richard Hambly, Hugh Murray Walker and Mark McDonnell. It deals with both routine maintenance and repair issues, and carries out most of the detailed planning and oversight of the company’s works programme.

Western facade

The major focus this year has been the work on the western façade, involving the replacement of corroded arch bars, installation of new windows, and minor repairs to the parapet. A contract for the work was let to R.M.Watson Pty Ltd , in the amount of $497,196, and work commenced on site in July. Completion date is early December. When the first windows arrived on site, it was discovered that a projecting stiffener on the sash jamb did not allow the window frame to slide up into the head channel. New channels had to be fabricated and powdercoated, delaying the works. However, the builder, having now opened up all sections of the work, is confident that he can make up most of this lost time. Some minor additional work has also been required at parapet level, to tie sections of cracked brickwork.

This work involves major disruption to the lives of those in the Macleay Street units, and we thank them for their patience and forbearance.

Phase 2 electrical

This upgrade to current standards involves bringing new submain cable from the riser on each level to a new distribution board within each unit. By the end of this year we expect to have 17 units completed, an additional 21 units by the end of 2016, and the remaining 20 units completed in 2017. Completion of this work will ensure safe, complying power supply to all units. However, much of the cabling within individual units is old, potentially dangerous VIR cabling, and this will need to be renewed at the cost of the lot shareholder.

We have been advised recently that some Insurance Companies are refusing to insure some properties in this area, due to the age and condition of the electrical wiring.

Security related works

These include the installation of CCTV cameras, occupant warning and public address system ; in the near future we will be carrying out our first fire safety drill. Also completed was the change over to access tabs to the front entry doors, which has now been operating for some months. During a power outage, there is an emergency battery which should cut in and allow to these tabs to continue to operate. During a recent outage, this did not happen; the battery has since been replaced. This tab system allows us to accurately monitor just who has access to the building, as the tab of departing owners/tenants can simply be rendered inoperable by computer.

Spare key safe

A spare key safe was installed in the Director’s Room, and is now close to 100% full , with a key to each apartment. We understand the concern expressed by many residents about giving up a key to their unit, but we have previously had great trouble gaining access to apartments for regulatory fire inspections, and to attend to leaking plumbing etc.

Miscellaneous works

These include –

Repairs to boiler and new thermostat

Repair to minor roof leak

Fire dampers to Switch Room

Preparation work in the Switch Room to facilitate fibre optic cable installation

Certification of roof anchor points

**House Management Committee**

The HMC comprises David Whitfield (Chair), Malcolm Richardson and Mark McDonnell. Over the past year, the main activity of this committee has been the implementation of the company’s Security & Emergency Management Policy.

This work has involved the introduction of new electronic access fobs for the front and side entries to the building, involving the complete swap of the old keys and recording details of fobs newly issued. As a result, the company has a complete and up to date record of the access fobs on issue and the ability to cancel old fobs and issue new ones quickly and easily, when necessary. Overall, security at Twenty has been improved with this change, particularly as the turnover of residents and others with access keys under the old system has meant that over the years the whereabouts and holders of a number of keys could not be fully identified. At the completion of the key exchange the old locks were changed so as to prevent unauthorised access by anyone still holding one of the original keys.

A second part of the focus on keys has been obtaining spare keys to each apartment for possible use in an emergency. These keys are in highly secure storage, being kept in a key safe in a locked room. Only a small number of directors have access to the safe.

There was a very positive response from shareholders and residents to this new requirement to lodge spare keys with the company, after it was formally included in the company’s Constitution at last year’s AGM. Directors wish to acknowledge and thank all those who have understood the objectives and overwhelmingly supported the implementation of the new arrangements. At the same time, some difficulties have arisen with a small number of shareholders (at time of writing, 2 only) who have declined to comply with the Constitution. Directors have been patient in dealing with these cases but, almost a year after the requirement was included in the company’s Constitution, firmer measures are now being taken to ensure full compliance with the policy.

During the year, the emergency access key has been needed to resolve two problem situations:

* in unit 5, the residents were away and a faulty smoke detector in that apartment emitted a loud, piercing signal, causing general annoyance to other residents. The emergency access key was used to gain entry and replace the faulty alarm;
* in unit 17, where the residents were away, but with their knowledge and consent, the emergency access key was used to enable DEM to carry out the annual fire safety checks and also to enable access to investigate water penetration into the apartment.

The company will continue to report every year on use of the emergency access key in the Report to Shareholders. As the instances above demonstrate, its use has been helpful in resolving a variety of day to day house management problems. In these cases, the access was for a very short duration only.

A third aspect to the HMC’s focus on implementation of the Emergency Management Policy has been the appointment of wardens to assist during evacuation drills, or indeed, if and when a real evacuation should become necessary. The initial efforts involved installation of a public address system (now completed) and identifying volunteers on each floor of the building who could act as wardens. An initial meeting was held in August and various residents invited, however it is clear that reliance on volunteers would be ineffective.

As a result, the Emergency Management Policy has since been amended to provide for a rotating system of wardens being appointed, to ensure that the responsibility is shared among all residents, apart from those who should reasonably be exempted (e.g. such as those who are over 75 years old, or are physically unable to perform in the role). A copy of the amended Policy is on the company website, [www.twenty-macleay.com](http://www.twenty-macleay.com) and these changes will be discussed in more detail at the AGM.

The more routine aspects of the HMC’s work includes interviewing prospective shareholders and tenants, and dealing with resident and shareholder questions, comments and complaints. In relation to the latter, most of the queries over the past year have related to the western façade works and other routine maintenance problems, and these have been dealt with by the BMC and/or the managing agent.

During the year we welcomed Will Mather (U9) and Jaya Keaney (U37) as shareholders. There was also a considerable turnover in rented apartments, with new tenants interviewed for eleven different apartments. There was one incident during the year of a difficult tenancy involving a loud domestic dispute, investigation by a resident director and another resident, followed by an arrest at the building by Kings Cross police. The directors worked closely with the agent for the apartment involved to ensure that the tenants involved moved on from Twenty soon after this incident.

Shareholders are reminded the best way to contact the company is via the Managing agents, Sydney Company Title Management, at 680 Willoughby Rd, Willoughby. Kinen Lau from SCTM is our company secretary and can be reached by telephone on 8973 1000 or email kinen.lau@picaust.com.au. Alternately, written correspondence can be deposited at the U27 letterbox at the entrance to the building.

For urgent matters, a list of other contacts is displayed in the noticeboard on the lower ground floor.

**Strategic Planning Group**

This committee comprises Brett Gebers (Chair), Peter Smyth, Hugh Murray-Walker, Randall Pearce and Mark McDonnell and is charged with developing a strategy for the future as well as evaluating the current situation in respect of the past strategic plans.

One of the tasks was to establish if the efforts made by the current and more recent directors of Twenty Macleay Street had benefited the shareholders.

We are pleased to report that the capital works program put together by past directors has done more for the shareholders than merely preserving the building. Firstly the capital works project has ensured that Twenty Macleay Street is undoubtedly a safer building now that it was a few years ago. The first phase of the electrical wiring and elevator needed urgent replacement and has all been completed. Secondly, the works being done have been noticed by a number of Real Estate Agents and we have received feedback that they like what they see in respect of the path adopted by the Company.

We then looked at whether or not Twenty Macleay Street apartments had increased in value as a result of the works done on the building. Fellow directors Peter Smyth and Mark McDonnel did an enormous amount of work in collating the data from a number of web sites and property value monitors.

There are many factors which make the market difficult to analyse. These factors include the limited number of sales in both Twenty Macleay Street and in Potts Point, not being able to easily compare the standard of the interior fixtures and fittings of the apartments that have recently been sold, the level of the levies and the general condition of the buildings.

Overall, the research shows that since the company launched its 10 year capital works program, in 2009, the capital growth at Twenty has been well above the strata apartment market across Sydney as a whole, and above the Potts Point market generally and for the six comparable Macleay Street properties for 2 bedroom units, but below these same buildings for one bedroom apartments. Nonetheless, the absolute improvement in prices at Twenty Macleay Street has been fairly consistent between both apartment types.

Given the small number of transactions in the comparison with specific buildings, no great reliance can be placed on this largely anecdotal evidence, but it does show that the popularity of Potts Point as a real estate destination of choice has been a consistent factor in the company’s strong price performance over recent years.

On balance, there does appear to be a strong positive correlation between a well-managed refurbishment program and higher rate of capital growth. The market survey of relative prices aids in more precise quantification of the anticipated effect and on a Sydney wide basis the result is strong and convincing, but less so on the more limited Potts Point sample results.

Some confirmation of this link between capital re-investment and capital growth is provided in the way real estate agents are beginning to re-assess Twenty Macleay Street as a select destination for discerning buyers. An example is the recent and entirely unsolicited advertising by Knight Bailey, headed “Refurbishment program has market appeal” and referring specifically and exclusively to Twenty Macleay Street.

Another relevant example of this link was cited in the 2014 Report to Shareholders, and is repeated again as it is instructive.

“The effectiveness of the reinvestment strategy is also very clearly shown by reference to one apartment, which was sold twice in the period under review. It was attractively renovated in 2013 with the result that on re-sale it gained 51% in value from its 2012 sale price. It provides the capital growth at Twenty has been well above the strata apartment market across Sydney as a whole, and above the Potts Point market generally and six comparable Macleay Street properties for 2 bedroom units, but below these same buildings for one bedroom apartments. Nonetheless, the absolute improvement in prices at Twenty Macleay Street has been fairly consistent between both apartment types and in one case, where there was a high quality renovation, Twenty Macleay Street has seen a very strong out-performance within the Potts Point market.

The relatively weaker performance of one bedroom and studio apartments at Twenty Macleay Street is the least satisfactory result to emerge from this study but none the less provides useful information. Following a detailed analysis of the specific one bedroom apartments sold at Twenty Macleay Street over the period of this study, **the main reason for their weaker performance appears to be that they have all been in an unimproved condition.**

The clear evidence is that the prices achieved for apartments in a relatively poor condition and state of repair will be at a substantial discount to other apartments of the same type in the same area, and even more so when these other apartments have been renovated to a high standard of workmanship.

**“These cases also show that the best returns are likely to be enjoyed by shareholders whose own investments in Twenty Macleay Street complement those of the company.”**

This finding has very important implications for the focus of shareholders and directors in our continuing efforts to improve shareholder value at Twenty Macleay Street. **To put it all simply, if we want the value of our individual shareholding in Twenty Macleay Street to grow substantially, we should focus on renovating our apartments.**

The Twenty Macleay Street website has been updated with new photographs and more information including the Property Monitor referred to in this report.

In conclusion, all structures start decaying from the moment they have been erected and therefore require constant care, repairs and refurbishment in order to keep them functioning as planned. With this fact in mind, we need to start preparing for the next major investment that will be required to maintain the value of Twenty Macleay Street. After the current ten year capital works plan ends in 2020, the next phase will include replacing the old plumbing system in the building.

Mark McDonnell Keith Cottier David Whitfield Brett Gebers

**Appendix**

**Demarcation between Company and Shareholder Expenses: Apartment Interiors**

1. **Company takes direct financial responsibility\* for:**
* Access door to apartment
* Windows on exterior walls, other than replacement glass due to breakage
* “Phase 2” electrical re-wiring (i.e. wiring up to and including new circuit switch inside units)
* New drainage stacks (southern and northern facades)
* Drainage below floor or slab level
* Smoke alarms
* Sprinkler system
* Connections to TV master antenna for building
* Gas pipes up to but not including meter inside apartments
1. **Shareholder financial responsibility covers all remaining building elements inside apartments, including:**
* “Phase 3” electrical (i.e. wiring to appliances, power point and lights from internal circuit switch)
* Fixed line telecommunications (telephone, internet)
* Pay TV connection (e.g. Foxtel)
* Internal copper pipes and drains above floor level
* Tiles and waterproof membranes
* Internal doors and windows
* Floor and floor coverings
* Ceiling
* Walls
* Cupboards
* Sinks and basins
* Bath and shower recess, including shower screens
* Laundry facilities

*\****Note**: a general exemption from company financial responsibility applies where any repairs and maintenance to an apartment interior is needed as a result of misuse, neglect or the actions of the resident or other occupant. In these cases, the shareholder bears full financial responsibility for the repairs and maintenance concerned.

*Reference: Twenty’s Constitution s 9.1(2), s 9.2, s 11(8); previous discretionary items act as precedents for the allocation published above.*

July 2015