Admiral House, Cardiff
Directors' report – December 2017

This has been another steady year as Admiral House continues to position itself as one of the premier residential apartment blocks in Cardiff. However, new issues with the buildings render have been identified and will require action in the very near term (please see below).

The Board of Directors of Newport Road Maintenance Limited (NRML), together with the managing agents, WPP and the onsite staff have continued to work diligently to ensure that the building has been run properly for the benefit of all leaseholders and residents.

Service charge costs have been continuously monitored to balance quality service, achieve value for money and come in on budget for 2017.

2017 Service charge

The ongoing running and maintenance of both the building and car park have been well managed throughout 2017 and the current forecast shows that we should come in on budget for 2017.

The only items that have ended up costing significantly more or less than budgeted were:

- Water: This will cost £16k more than budgeted because Welsh Water have replaced the communal water meter which they believe was faulty and had not been recording the building's water consumption accurately.
- General Maintenance: This is anticipated to cost £14k less than budgeted because the building has not required as much repair and maintenance as in previous years.

2018 Service charge

The 2018 budget has been set with reference to what has been spent in each of the last few years and what is expected to change in 2018. The 2018 service charge budget for the **building** will increase by approximately **3.0%** from the 2017 budget, whilst the 2018 service charge budget for the **car park** will increase by **2.5%** from the 2017 budget.

The service charge increase is mainly to cover expected cost increases due to inflation and also to align the budget to the 2017 levels of electricity and revised water charges. In addition, the reserve fund contribution has also been slightly increased as the property ages.

Each year, this contribution adds to the property's reserve fund which is designed to be used in future years when cyclical repairs, maintenance and the replacement of items are required. Both the money collected via the service charge and the costs that are spent to maintain the building to its current standard are reviewed by the Directors at each Board meeting and are consistently challenged to ensure that all expenditure is necessary and in doing so that value for money has been achieved.

If any leaseholders have any queries regarding either the 2017 or 2018 service charge please contact WPP who will be pleased to answer your questions.

Render

As discussed in detail by a Structural Engineer at the AGM (and subsequently minuted – available on the website www.admiralhousecardiff.com), the building is suffering from the external render deteriorating and cracking; the cracks are becoming ever more widespread. This concern has been previously communicated to leaseholders by way of initiating the current Section 20 Consultation. The required work programme and the related costs to address the issue are in the process of being determined and will be communicated when finalised. However, it is without doubt that an additional levy will be required from each leaseholder to cover these costs; this sum will be dependent upon the percentage payable within the covenants of your lease in the same way as the service charge.

The Board of Directors

The Board meet regularly with WPP and perform their duties on a voluntary basis.

The NRML Board currently comprises:
Emrys Davies, chair
Nasir Jarjis
Graeme Garrard
Matt Currie
Company Secretary is Neil Gregory of WPP - neil@wppmc.com

One Director, Phil Parry, has recently resigned from the Board. The Board takes this opportunity to thank Phil for all his input over the last few years and wish him well for the future. The Board would be pleased to consider any leaseholder applications to become a new director; Resident members are underrepresented on the Board and will have priority to ensure balanced representation. Should you be interested in this post please contact Neil Gregory of WPP neil@wppmc.com for further information. The Board will follow the appointment process agreed by members at a previous AGM prior to formal election at the next AGM.

At this time please also be advised the 2018 Annual General Meeting has been scheduled for Monday 17th September 2018 in the Brecon Suite of the Holland House Hotel at 6.30pm,

The Board of NRML wishes you Season's greetings and the very best for 2018.

Yours sincerely,
The Board