Admiral House

December 2016

Dear Member,

Admiral House / Newport Road Maintenance Limited

It has been another successful year for Admiral House.

It remains the aim of the Board to make it one of the most sought-after residential blocks in Cardiff.

The concern of identifying or 'branding' Admiral House has been addressed by way of the installation of new slate signage. In further detail please consider the following;

Financial

Please find attached the Statement of Anticipated Service Charge Expenditure and corresponding invoice for the new financial year for your apartment in Admiral House. It shows the budgeted expenditure figures for the financial year beginning 1st January 2017.

Whilst the budget shows anticipated figures for the forthcoming financial year please be aware that should there be a year end deficit or surplus then members will be invoiced or credited accordingly after the end of the billing period (this being the same for the current financial year). For your information please also find attached a service charge statement. If this shows your account to be in credit please deduct this from the forthcoming financial year's charge and likewise if it shows you are in deficit please ensure that you settle the same in full by 31st December 2016.

In accordance with your lease the service charge is billed twice yearly; however you can still pay monthly if you choose to. As the yearly sum for your apartment alters from 1st January 2017 we would respectfully remind you that should you pay by monthly standing order that you should amend the same before 31st December 2016.

With regard to the allocations within the budget please be advised these have been carefully considered by the Board of Directors of the management company. Whilst there are increases to the 2016 charge the requirement to proactively address a wide range of Health & Safety issues including upgrading of stairwell lighting and associated wiring results in the amendment of allocations accordingly. The annual budget totals £356K, however to help put into context please consider it was £415K back in 2012.

Render

On a separate note, yet one that was discussed at the AGM and can be considered in further detail by way of the associated minutes now available to read on the Admiral House website (http://admiralhousecardiff.com/) the render serving two elevations to the property is in an increasingly degenerating state. This cannot be ignored so is currently undergoing assessment with different specialists; once the requirements are clear a Section 20 Consultation will be initiated as required by statute (as costs to address the required works will be in excess of £250 per leaseholder). Ultimately a levy outside the immediate service charge will be required which, when bolstered by an element of reserve capital, will address the much required work.

Sub-letting

Your Board has received complaints from members relating to requests from Braemar Estates to apply for Authority to underlet apartments together with an administrative charge for this service.

NRML has the responsibility to approve under-letting, Braemar Estates claim that under the Head lease they also need to approve under-letting on behalf of the freeholder.

The Board has been informally advised that NRML *alone* has the right to authorise subletting in Admiral House, not Braemar Estates. However the Directors respectfully recommend you seek further advice / assurance on this matter (should you under-let) through your own legal representative.

The Board members that underlet in receipt of letters from Braemar are following this course of action.

Please note! You must pay the ground rent on your property to Braemar Estates on demand as a condition of the Head lease.

NRML have a process in place with our Concierge to authorise under-letting and a duty of care to residents and leaseholders; i.e. we need an accurate list of residents should one of the emergency services such as Fire and Rescue need to attend to matters within the building and in any case NRML may also be required to provide a copy of this list to the Freeholder.

The Directors agreed that a formal process is required to ensure NRML conform to its duty of care, improve authorisation and hold an accurate list of residents.

Members who underlet their apartments are required to register underlet apartment(s) with Karl Ashton at the Concierge and in doing so to provide the names of all tenants, tenancy details and if applicable the letting agents name and contact details.

Provided that members comply with this process by 31st January 2017 approval will be automatic upon registration, Free of Charge.

To register your property for Free Authorisation to underlet please provide Karl Ashton with the following information.

- Your name or Company name if applicable
- Your Apartment(s) number(s)
- The full names and contact details of your Tenants (and letting agents if any)

Please Note!

- You are required to register by the 31st January 2017 at the latest
- It is your responsibility to update any change of tenants or letting agents immediately.
- You submit your full contact details.

Applications are to be submitted as follows:

Karl Ashton
Building Manager
Admiral House
38-42 Newport
Road Cardiff
CF24 0DH

Email: admiral.house@btconnect.com

A cross check of residential addresses against registered members will be conducted to ensure compliance as official authorisation is a condition of the lease.

Members that do not voluntarily register such subletting by 31st January 2017 will be escalated to having to require formal authorisation through Western Permanent Property to ensure compliance. **There will be a charge of £60 plus VAT for this service to ensure that there is no cost to NRML members**.

At this time please also be advised the 2017 Annual General Meeting will be in the Brecon Suite at 6.30pm, Monday 25th September 2017.

The Board wishes you season's greeting and the best for 2017.

Yours sincerely
The Board