

John Morris
Applewood Court Residents (Swindon) Ltd
15 Windsor Road
Lawns
Swindon
SN3 1JP

14 July 2008

Our Ref : MC/RA/SM010708

MC/Portfolio Ref: Applewood Court Residents (Swindon) Ltd

Dear John Morris

Management of Your Development – Individual Director's Responsibilities

We have been asked to contact you by your freeholder who have recently been carrying out a review of their holdings as a result of unexpected notices of failures to comply received from fire authorities.

As part of their review they have identified concerns in respect of the way in which some properties within the portfolio are managed and administered. There is a concern in being able to verify that the Directors of Residents Management Companies have fulfilled their legal obligations in complying with increasingly complex Health and Safety and related legislation, including such things as asbestos management and fire risk assessments. We are also aware of situations where there have been failures and errors which have the potential for a Residents Management Company to be wound up, which of course affects the saleability of the leasehold properties. Directors of Residents Management Companies would also be exposed to personal liability in relation to such failures.

In view of this, Freehold Managers are required to ensure that all of the properties within the clients portfolio are competently managed and that current legal requirements are accurately complied with in a timely manner and that the value of both freeholders and individual leaseholders' interests are properly protected and safeguarded.

In order to address this potential liability and to minimise problems such as under insurance , fire authority notices, and health and safety notices we write now to obtain from you a copy of the most recent report / certificates listed below which we look forward to receiving by return post.

1. Fire Risk Assessment
2. Asbestos Audit Report
3. Health and Safety Report
4. PAT Test Report
5. Insurance revaluation report
6. Projected maintenance report
7. Latest complete set of audited accounts.

If you are unable to supply these reports or would like further guidance or assistance please do not hesitate to contact the writer.

Yours sincerely

Sharon Matthews

Sharon Matthews
Freehold Managers PLC
e-mail: Sharon.matthews@freeholdmanagers.co.uk

John R Morris FCMA

From: Applewood Court Residents (Swindon) Ltd [admin@applewoodcourt.co.uk]
Sent: 18 July 2008 15:47
To: sharon.matthews@freeholdmanagers.co.uk
Subject: Re: Managing your Development

Dear Sharon Matthews,

Thank you for your letter from Freehold Managers Plc dated 14 July 2008.

The directors recognise the importance of compliance with the requirements of Safety, Health & Environmental legislation and ACOPs.

In response to the items you have requested:

1. Under The Regulatory Reform (Fire Safety) Order 2005 fire risk assessments only apply to non-domestic premises. There are no communal areas at Applewood Court and therefore no risk assessment is required.
2. I assume that your reference to an "Asbestos Audit Report" relates to the requirement to maintain an asbestos register under The Control of Asbestos Regulations 2006. The duty to manage asbestos only applies to non-domestic premises. There is no statutory requirement for this to be extended to individual domestic premises.
3. You provide no details of the "Health and Safety Report" that you have requested. I therefore assume that this relates to the requirements of the Health and Safety at Work etc Act 1974 and the Management of Health and Safety at Work Regulations 1999. If so, the premises at Applewood Court fall outside of the scope of these Acts.
4. The company does not own any portable electrical appliances and therefore PAT testing is not required.
5. The directors consider that the property is adequately insured.
6. The company is not legally required to produce a "Projected maintenance report". The directors have estimated future maintenance costs and these are available on the company's website for the freeholder to view.
7. The company's statutory accounts are available to view on the company's website.

As your letter seeks to bring to the attention responsibilities of directors you may wish to be advised that your company letterhead is in breach of the Companies Act 2006. I also note that the Freeholder is in default of filing requirements at Companies House.

Regards

John R Morris FCMA AIRPM
Company Secretary
Applewood Court Residents (Swindon) Ltd
15 Windsor Road, Swindon, SN3 1JP

Company number: 01664985

W www.applewoodcourt.co.uk
E admin@applewoodcourt.co.uk

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