

# ADMINISTRATION AND MAINTENANCE PROGRAMME

## T.R. (Timeshare Rights)

### "CLUBE ALBUFEIRA"

2024

In compliance with article 33 of Decree-Law nr 275/93, of 5 August, updated by Decree-Law nr 180/99, of 22 May, Decree-Law nr 22/2002, of 31 January and Decree-Law nr 37/2011, of 10 March, "Clube Albufeira - Gestão Imobiliária e Turística, Lda.", Management Company of the T.R. "**Clube Albufeira**" hereby presents the "Administration and Maintenance Programme" for the year 2024. The programme reflects the effort that has been made to optimize the financial, fiscal and human resources management in line with the amounts of T.R. "**Clube Albufeira**" "Maintenance Fees" established for the year.

In the implementation of this programme we foresee for 2024 a revision on the maintenance fees of 5.73% and a decrease in the revenue generated by old debts of more difficult collection. We also forecast a decrease in operational expenditure when compared to last year's programme. We have also adjusted and optimized third-party supplies by taking advantage of synergies with another holiday resort in Albufeira.

Staff costs have also increased 4% when compared to last years' programme. This is mainly due to the increase in national minimum wage salaries in Portugal.

We are also aware of the resort's maturity and that conservation and maintenance costs have a tendency to increase. The Management Company endeavours its best efforts to keep a balance between revenue obtained and the necessary investment to maintain the required quality levels.

The excellent result obtained in 2021 allowed that in 2023 we were able to invest in extensive refurbishment and improvement works. We highlight the refurbishment of all apartments in Blocks U and E (18 apartments), in Blocks L and M (5 apartments) as well as other minor intervention work in Blockks Q, R, S, W and V.

Analysing in detail the "Administration and Maintenance Programme" for the year 2024, we will have:

#### 1 - Estimate of Revenue

- 1.1 The "Maintenance Fees" to receive in 2024 amount to €1.157.917,99
- 1.2 We estimate that, from the total "Maintenance Fees" in debt from previous years, the amount of €50.000,00 may be collected during the year.
- 1.3 We estimate to use €50.000,00 of the Reserve Fund in the renovation and refurbishment, including furniture, new decoration, as well as carry out maintenance work in kitchens and bathrooms in Blocs V (9 apartments).

#### 2 Estimate of Expenses

- 2.1 It is estimated that the electricity consumption might attain €106.000,00 for the year.
- 2.2 A total expenditure for water of €35.000,00 is expected.



- 2.3 For 2024, the expenses with maintenance and repairs are expected to be about €135,000.00. Included in this cost are materials and services for the maintenance of housing units, such as costs for assistance and replacement of deteriorated equipment, the purchase and application of paint for ordinary interventions in the interior and exterior of some units, as well as all interventions of a continuous nature designed to maintain the housing units in the same the conditions as at the time of construction.
- 2.4 The annual insurance premium, maintaining the same degree of risk coverage, is estimated at € 6.000,00
- 2.5 Expenses associated with daily and weekly pool maintenance programmes, including disinfectants, decaling agents, component and other multi-action products, water filtration, algae prevention and cleaning, as well as the replacement of skimmers and other spare parts are estimated at € 18,900,00.
- 2.6 The value forecasted for the maintenance of the gardens is € 45.000,00. This item includes the purchase of small hand tools, fertilizers for soil improvement, soil correctors, pest control products, irrigation repair components, irrigation taps substitution, and replacement of garden machine parts (sideboards, hedge trimmers, high pressure cleaning) when needed and contracting of an architecture landscaping services company.
- 2.7 The value foreseen with outsourced cleaning services and consumables, is estimated at €135.000,00.
- 2.8 We foresee that staff costs are higher than last years in €10.350,00. This is due to the increase in minimum wage salaries in Portugal.
- 2.9 The remuneration of the management company will continue to be based on the percentage of 20% on the value of "Maintenance Fees" effectively collected, resulting in the estimated value of € 241.583,52.
- 2.10 The allocation to the Reserve Fund, established according to article 30 nr 1 of Decree-Law nr 275/93, of 5 August, in its present wording, will be calculated based on 4% of the value of the "Maintenance Fees" effectively collected, and amounts to €48.316,70.

Thus, the total estimated expenses considered by this Programme will be €1.255.593,97 (one million, two hundred and fifty-five thousand, five hundred and ninety three euro and ninety seven cents).

### 3 Balance Estimate of "Management Fees" 2024

The estimated surplus for the year is €2.323,62 (two thousand and three hundred and twenty three euro and sixty-two cents) as shown below:



Amounts in euros

<b>REVENUE</b>		<b>2024</b>
Maintenance fees.....		1.157.917,59
Estimate of collection of Maintenance fees from previous years .....		50.000,00
Estimate of Maintenance fees not collected .....		0,00
Financial gains .....		0,00
Reserve Fund use.....		50.000,00
	<b>TOTAL REVENUE</b>	<b>1.257.917,59</b>
<b>EXPENDITURE</b>		
Electricity.....		106.000,00
Water .....		35.500,00
Conservation and Repair .....		135.000,00
Insurance.....		6 000,00
Swimming pools maintenance .....		18.900,00
Garden maintenance .....		45.000,00
Cleaning and Hygiene costs .....		135.000,00
Security .....		21.600,00
Reception costs .....		11.643,75
Legal fees .....		35.000,00
Communications .....		15.000,00
Fees .....		2 600,00
Financial expenditure .....		1 000,00
Common expenditure.....		30.000,00
Tax (IMI, AIMI).....		30.000,00
Reserve fund use .....		50.000,00
		<b>677.743,75</b>
<b>STAFF COSTS</b>		
Cleaning .....		54.000,00
Reception.....		66.950,00
Maintenance.....		57.000,00
Gardens .....		28.840,00
Administrative.....		54.000,00
Swimming pools .....		25.920,00
Garbage and rubbish collection and disposal .....		5.000,00
		<b>287.950,00</b>
ADMINISTRATION (20%).....		<b>241.583,52</b>
RESERVE FUND (4%).....		<b>48.316,70</b>
	<b>TOTAL EXPENDITURE</b>	<b>1.255.593,97</b>

Albufeira 20 November 2023

**Clube Albufeira, Gestão Imobiliária e Turística, Lda.**

Management

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