

MINUTES OF THE 36th ANNUAL GENERAL MEETING OF THE

LANGDALE OWNERS' CLUB

Held at North West Auctions, Junction 36, Rural Auction Centre, Crooklands,
Milnthorpe, Cumbria, LA7 7FP at 1:30pm on Sunday 2 December 2018

Present:

Chairman of the Committee: Ian Hamilton

Members of the Committee: Jill Walker
Ian Murray
Kit Bird
Nick Lancaster

Also Present 78 owners and their guests

Item A - Introduction

The Chairman welcomed everyone to the Langdale Owners' Club 36th Annual General Meeting and introduced himself and other members of the committee, Jill Walker, Ian Murray, Kit Bird and Nick Lancaster. He also introduced Jennifer Grabowski, LOC solicitor who had worked on the proposed revisions to the Constitution. The Trustee, Andrew Horton of Resort Fiduciary Services Ltd ("RFS") had intended to be present but had taken ill at the last minute so was unable to attend but was fully supportive of the proposed changes to the Constitution.

The Chairman confirmed the protocol for the day with regard to fire alarms and asked for mobile phones to be turned to silent and if any members of the press were in the room, to respect the privacy of the meeting which was for members only.

Apologies had been received from: -

Mr D Bond, Mr J S Bevan & Mrs P V B Bevan, Mr I Chadwick & Mrs B Chadwick, Mrs R E Beckett, Mr R Kingscott & Mrs J Kingscott, Mr R Brinson & Mrs B E Brinson, Mr R Dolman & Mrs B Dolman, Mrs S Knight, Mr G E Dale & Mrs E Dale, Mr W B Tennent & Mrs S D Tennent, Mrs G Daniels & Mr R M Daniels & Mr C J Daniels & Mrs C J Hasler, Mr M S Money & Mrs C M Money & Miss C J Money & Mr J M Money, Mr J A Dearden & Mrs B M Dearden, Prof J R Whiteman & Mrs C M Whiteman, Mr B Natton & Mrs C Natton, Mr A Riddle & Mrs D Riddle, Mr J Mayne-Brown & Mrs C Sutcliffe.

The Chairman thanked all those who contributed to making Langdale a very special experience and thanked Anne Durnall and her team for organising the event. He also went on to thank the Housekeeping team as he had omitted to include them in his report, but stated that the committee supported their work and were satisfied with the work the team do for LOC and he called for a round of applause for Ruth Hodgkinson and the Housekeeping team (applause from the floor).

The Chairman then moved to the first Resolution of the day.

Resolution 1

To approve the minutes of the last Annual General Meeting held on 26th November 2017

Proposer: Ed Mitchell, Lodge 75, Week 7

Seconder: William Walker, Lodge 75, Week 47

On a show of hands, the Chairman declared the Resolution carried unanimously.

The Chairman declared there were no matters arising

The Chairman then provided a short summary of the Report of the Committee to highlight some matters which he felt members needed to be aware of.

Income from management fees stood at just over £3m. Expenditure on direct services and refurbishment was £610,000 and constituted work on special projects, not general maintenance.

The management fee levied upon LOC under the Management Agreement was £197,000 this year and Club funds at the end of the year stood at £111,000. The reason for this being such a substantial amount was because funds had been carried forward due to the full refurbishment of parts of the estate in 2018-2019.

Mr Hamilton stated the second bedroom refurbishment programme was to re-commence in this maintenance period. Chapel Stile would be refurbished in 2019 and would bring the whole of Chapel Stile up to the same standard as those units refurbished as a trial. At the same time, new fire systems and alarm systems would be installed.

The Chairman stated that the committee were proposing the changes to the Constitution contained in the Resolution to enable them to start to develop more effectively how the Club would deal with people's life choices, their relationship with the Club and Langdale in its entirety.

There had been a trial of replacement balcony systems because existing green balconies with smoked glass had reached the end of their life. LOC were hoping that the replacements would sufficiently replicate the old system but be more aesthetically pleasing. Mr Hamilton stated that the Club would like to complete all balconies as quickly as possible.

Mr Hamilton wanted to thank his colleagues on the committee for their support as this year had been a particularly interesting one with the large-scale revisions to the Constitution which had resulted in significantly more work than normal. There had been a substantial increase in the amount of correspondence, meetings and involvement from the committee and others, making a very effective contribution to ensuring that the owners' Constitution was revised in a way that would preserve the benefits from the past and enhance it for another 30 to 40 years. Mr Hamilton's personal view was that the Constitution had served the membership very well to date, but the work recently undertaken would serve the membership well in the future.

The Chairman also thanked the advisory group used when preparing the communication packs sent out to all owners. The committee had sent out drafts of the communication packs to a number of people who had come forward and also other people identified, and they were asked to provide feedback on the final documents. They were very helpful and Mr Hamilton thanked them for their contribution.

Mr Hamilton reported that the Club had received a number of offers of support from members who wanted to be more directly involved in supporting the committee and were interested in understanding more about how Langdale operated and potentially being

involved with the committee at a later date. LOC would be organising a small induction with those interested parties.

Mr Hamilton also mentioned owners' support via donations to Our Man at the Top and to the Aspiring Leaders Programme in conjunction with the University of Cumbria and the Brathay Trust. Our Man at the Top donations sponsor repairs to paths around Langdale and the Lake District National Park.

The Chairman then moved to the next Resolution.

Resolution 2

To receive, approve and adopt the Financial Statements for the year ended 30th April 2018 together with a Report of the Committee and Auditors.

Proposer: William Walker, Lodge 75, Week 47

Seconder: Tony Whitby, Lodge 25, Week 40

On a show of hands, the Chairman declared the Resolution carried unanimously.

Resolution 3

To re-appoint Scott & Wilkinson as Auditors of the Club and to authorise the Committee to fix their remuneration.

Proposer: Jane Mitchell, Lodge 75 Week 7

Seconder: Eric Pickering, Lodge 23, Week 27

On a show of hands, the Chairman declared the Resolution carried unanimously.

The Chairman then invited Kit Bird to conduct the next stage of the proceedings. Kit Bird then called the next Resolution.

Resolution 4

To re-elect Ian Hamilton as a member of the Committee of the Club who has offered himself for re-election in accordance with the Owners' Club Constitution and has agreed to stand and has been nominated.

Proposer: Andrew Collier, Lodge 29, Week 42

Seconder: Mike Bull, Lodge 57, Weeks 44 and 45

On a show of hands, Kit Bird declared the Resolution carried unanimously.

Resolution 5

That the draft Constitution enclosed with the AGM pack entitled "Paper 1" be adopted as the Constitution of the Langdale Owners' Club in substitution for, and to the exclusion of, the existing Constitution of the Club.

Mr Hamilton stated this was a momentous moment after 30 years.

Proposer: Andrew Collier, Lodge 29, Week 42

Seconder: Mike Bull, Lodge 57, Weeks 44 and 45

Chairman

The vote would be conducted by a poll as this was the only appropriate way for all members to participate. Voting cards were then distributed to those present and collected in, with the result to be announced once all votes had been counted.

The Chairman moved to item H and asked for questions from the floor.

Q:

John Mullin, Lodge 6, Week 23

Mr Mullin asked whether anything was going to be done to the snooker room at Chapel Stile?

A:

Nick Lancaster

Nick stated that, as far as he was aware, refurbishment of the snooker room was not in the programme.

A:

Chairman:

The Chairman thanked Mr Mullin for bringing the topic up for consideration and as the refurbishment programme would be undertaken in March, he thought it might be possible to consider sprucing the area up.

Q:

Andrew Collier, Lodge 29, Week 42

Mr Collier addressed the Chairman and firstly wanted to express his pleasure with the work that the committee had done on the Constitution. As a former bureaucrat, he was full of admiration and pleasure that the governing arrangements were being brought into line with current practice and would serve well for the future. He asked whether the committee would now be prepared to have a go at the Management Agreement? He appreciated it was a daunting task; most people would be exhausted half way through the charging period 1 before getting to charging period 2 and the Club were actually in charging period 3, which didn't appear in the Management Agreement at all and significantly it also determines the business relationship between LOC and LOP. The Management Agreement is the document in which the 15% mark up on costs is included and Mr Collier hoped the committee would not only be prepared to look at a revision but to talk to LOP to see if arrangements could be brought more in line with actual practice and current business circumstances.

Mr Collier stated that he wanted to finish with one or two statistics as crude indicators of financial climate; the 15% mark-up was put in the document in January 1982 when the Bank of England base rate was 14.38%, it seemed extraordinary now when the bank rate was 0.75% and circumstances had changed; a new agreement probably ought to provide for a review every few years.

A:

Chairman

The Chairman thanked Mr Collier very much for his comments. Whilst he couldn't promise anything with regard to terms of negotiation on the Management Agreement, he asked Kit Bird to comment.

A:

Kit Bird:

Kit stated that the Management Agreement was something that the committee was aware of and had been discussed by the committee, so was very much a "live" issue. Without giving too much detail there were other matters that the committee were looking at with regard to the relationship between the Club and the Management Company and once the committee had completed this then it would move on to the Management Agreement, although Kit

pointed out that it was not just a matter for LOC as LOP or LLL (being the management company) would also need to be involved.

A:

Chairman:

Mr Hamilton confirmed, for the benefit of any owner who hadn't attended the LOP AGM, that Dale Watler (Chairman of LOP) had talked about the Management Agreement and had stated that he would be happy to open a discussion with LOC about it. It was important to remember that LOP and LOC were completely separate, even though a synergistic relationship did exist between shareholders and owners.

Q:

Tony Whitby, Lodge 25, Week 40

As a recent owner of a hybrid motor vehicle, Mr Whitby wanted to know whether the provision of charging points on the site would improve, as they were currently woefully inadequate.

A:

Nick Lancaster

Nick stated that in putting things into perspective, whilst he didn't disagree that the provision was woefully inadequate it was the highest concentration in Cumbria (laughter from the floor). Nick stated that the company was hoping to undertake a wider project to install additional charge points that will be in place in the new year. He stated that there was an added complexity that charge points were not standard so that was something to be very conscious of. It would be something for the committee to look at, at a later date, with regard to lodges specifically.

A:

Chairman

Mr Hamilton felt that this was something to keep an eye on. He asked owners of electric cars to contact Langdale, to let them know if they were intending to bring them to Langdale, so that a record could be kept.

Q:

Mike Bull, Lodge 57 Weeks 44 and 45

Mr Bull raised an issue that he had left until last because he felt it was a very trivial one. Firstly, he congratulated the committee, as he thought it was splendid the way that the poll was called on the Constitutional debate before any discussion took place (laughter from the floor). Since he was very supportive of it, he hoped that the poll came out the right way.

Mr Bull's query was on behalf of some friends who wanted to know about access to the table tennis table as it appeared to be an optional extra which was moved around and inaccessible and therefore not available a lot of the time. Could there be some consideration to giving a little bit more priority to its accessibility for lodge visitors and, if so, that would be appreciated.

A:

Nick Lancaster:

Nick stated that there was always a table tennis table available, weather dependent, which was why it was sometimes inside. There exists a conflict between the spaces where the table tennis table can be placed and some of those spaces were revenue generating spaces. As table tennis was a free facility that the management company provided, there would always be a balance to find. However, Nick said that he would certainly review the facility but would always be happy to charge for it if that made things easier for everybody.

A:

Chairman:

The Chairman wanted to reply to the first part of Mr Bull's comment when he said that the Club hadn't allowed for a discussion on the proposed amendments to the Constitution?

The Chairman provided some context to this comment and confirmed that the Club had provided opportunity for people to get in touch prior to the AGM and had been encouraged by the number of people asking quite complicated questions and points of clarification which had then formed part of the "Frequently Asked Questions" and published on the Owners' Website. The Chairman felt that there had been quite a bit of detailed discussion.

Q:

Mr Bull

Mr Bull said when he made his comment, he completely accepted that his tongue was firmly in his cheek.

Q:

Jane Mitchell, Lodge 75, Week 7

Mrs Mitchell wanted to make the point that table tennis was an indoor game and you could expect to play table tennis properly in the Lake District in January/February, almost any month of the year, but it had to be absolutely still and should be an indoor game.

A:

Chairman

The Chairman thanked Mrs Mitchell for her comment.

Q:

Allan Quayle, Lodge 43, Week 32

Mr Quayle thought that there was plenty of space in the exercise room adjacent to reception for table tennis.

A:

Nick Lancaster

Just for the record, and to shorten the meeting somewhat, Nick said he would review the table tennis and would make sure there was a table tennis table available as and when it was possible (applause from the floor).

Q:

William Cropper, Lodge 82, Week 41

Mr Cropper, in reflecting on the snooker and table tennis issue that had been raised, wondered if there were access problems if someone wanted to play snooker; was access possible for anybody who wanted it? He wondered whether that could be reviewed?

A:

Nick Lancaster

Nick stated that to the best of his knowledge and certainly his staff's instructions, the snooker room was absolutely available to everybody. Owners would simply need to speak to staff at Wainwrights' and they would provide access. It was a facility that existed for all owners.

Q:

Sharon Hird, Lodge 23, Week 41

Mrs Hird asked whether what used to be the hotel lounge was still available for owners because sometimes the door was locked, but there would be no-one in there, and

sometimes the door was open. She felt that it was a nice area to go especially if you had younger children and didn't want to be in Stove.

A:

Nick Lancaster

As far as the company was concerned this room was a function suite and was being used as a meeting room. It was becoming more and more popular as a meeting room. There would always be some conflict for space. Nick also stated that no-one would be discouraged from going to Stove, that everybody was welcome. Nick felt that the team had made quite an effort to make everyone, including families with children, very welcome. There were also some quieter areas around Stove that didn't get used as much as other areas so that would also be an option. The room is used for some televised sports events to allow access for other people on a regular basis but, again, there was sometimes some conflict between which sporting event should be put on.

Q:

Sharon Hird

Mrs Hird asked for confirmation that the room was used for events but, if the door was open and there was nobody in there, then would owners be allowed to go and sit in there?

A:

Nick Lancaster

Nick confirmed that this was allowed.

Q:

Derek Robertshaw, Lodge 55, Week 25

Mr Robertshaw had a question for Nick Lancaster regarding what conclusions the students from Lancaster University Business School had come to from the survey to investigate lodge owners' life stages and their wants and needs?

A:

Nick Lancaster

The students, when they had researched life stages, had suggested that whilst there was a wide range of owners and second and third generation owners on site, actually the vast majority of the ownership was aged 65 plus, with probably two-thirds in that age bracket. When owners were asked about what priorities they were looking for the results provided were generally about the level of refurbishment and products available to them. There was much more support in terms of looking to future generations. Nick felt that the two things that had come together from the research were accessibility of facilities, so these were being reviewed and providing for the next generation or even third generation owners.

A:

Chairman

Mr Hamilton felt that the research undertaken was excellent and because the management company had a very good relationship with the university (management school), then the Club would consider asking them to undertake further research to focus on some other areas that had been highlighted, such as meeting owner demands in a sensitive and informed way; not just about providing facilities but being aware of what happened to people at different life stages, as a group holistically from every age perspective. The Club's approach had been informed by those surveys so, if owners received a request for a survey, then the Club would appreciate them taking part.

Q:

Len Jones, Lodge 32, Weeks 16 and 44

Mr Jones asked whether his assumption that lodge sales were falling slightly, was correct? If that was the case his suggestion would be to produce an A4 sheet of paper listing a few weeks that were available, to see if any interest was generated. He felt sure that some people would go through Langdale and not realise that there were hundreds of lodges for sale and hundreds of weeks for sale.

A:

Dan Visser

The sale of timeshare at Langdale has been declining but was stable at about 120 to 130 weeks per year, re-sold on owners' behalf. He stated that the issue around the sale of timeshare was not about whether people could afford it or not, because it was possible to buy a week at Langdale for £50 which was affordable to an awful lot of people. The issue around the sale of timeshare, and in the timeshare industry generally, was that since 1981 when the fixed week calendar was developed the way people consumed their leisure time had changed massively, as had lots of other things in society, and fixed weeks did not generally suit the vast majority of people taking holidays in this day and age. That is the challenge with selling timeshare and Dan stated that the sales team had tried exactly what Mr Jones had suggested at various different times, targeting, specifically, people who rent, stay in the hotel or exchange into Langdale with targeted pieces of marketing within those units and it hadn't made any difference.

A:

Chairman

The Chairman reassured Mr Jones that the Club were not saying his idea was not a good one, but that timeshare had developed over the years and he felt that for those people who understood it, they were still happy to buy timeshare.

A:

Dan Visser

Dan reiterated that the issue was not the desirability of Langdale but the way people consumed Langdale and that they wanted a more flexible way of consuming it with a hotel stay or a rental which suited those much more flexible lifestyles.

A:

Chairman

Timeshare re-sales was something that the committee had discussed and were not averse to thinking about the future and how it might change. Mr Hamilton acknowledged that there were opportunities for the Club and would give it consideration.

Q:

Lesley Fletcher, Lodge 11, Week 49

Mr Fletcher applauded the efforts put in by the management committee and the hotel's sustainability but had noticed at times items placed in skips such as metal, wood, broken pottery, etc. He asked whether it would be possible to sort such waste as he felt that there seemed to be little point saving 1,500 or 15,000 straws when one and half skips of metal, plastic and everything else were being sent away.

A:

Ian Murray

Ian stated that skips for lodges were general waste skips and the current contract was with a local company who were a metal reprocessing company. His understanding was that the company do re-process the whole skip so would sort the waste into separate skips for

building waste, plasterboard etc, and anything that couldn't be recycled was sorted separately.

Q:

Tony Whitby, Lodge 25 Week 40

Mr Whitby noticed when he recently received his management fee invoice there was an option to donate to Our Man at the Top or the Aspiring Leaders. But, since paying by standing order that option was no longer available so, was there some way of retaining that feature.

A:

Sarah Spencer

Sarah confirmed that this was possible. Owners would need to contact the management company and it could be added to their direct debit. They would also have the choice to add the donation every year or out of their final payment.

A:

Chairman

Mr Hamilton stated that a note would be put in Views advising people how that facility would work.

As there was no other business brought before the committee, the Chairman stated that the result of the vote on the poll would be announced.

The Chairman invited the Company Secretary, Anne Durnall, to announce the result of the Vote on Resolution 5.

Anne Durnall

Resolution 5

That the draft Constitution enclosed with the AGM pack entitled "Paper 1" be adopted as the Constitution of the Langdale Owners' Club in substitution for, and to the exclusion of, the existing Constitution of the Club.

The total amount of votes including today's votes cast by ballot paper was 1,034 "For" with 6 votes "Against".

(Applause from the floor)

The Resolution was passed by a majority of more than three quarters of all votes cast, therefore Paper 1 is adopted as the Constitution of the Langdale Owners' Club.

Chairman

The Chairman thanked all members present for their attention and support and stated that when he attended AGMs, met with owners and received letters from owners, it made him realise that there were a lot of people whose primary objective was to have a happy holiday with their families but that owners did support the Club when that support was needed and he felt that was really fantastic.

The Chairman also agreed with a member's comment from the floor that subsequent to the revisions to the Constitution, if in future the committee was seeking comments on documents then members would be sent these directly, rather than having to log on to the website.

Mr Hamilton stated that next steps would probably involve a consultation as those steps would affect everyone, eventually. He had staked his reputation as Chairman on his belief that collectively members wanted to do the right thing for everyone and that everybody deserved to benefit from the collective power of the ownership to make things right for all, whatever their life circumstances.

He thanked everyone for attending today and called the meeting to a close.