



The Langdale Owners' Club
Financial Statements
for the year ended
30th April 2018

The Langdale Owners' Club

Agenda and Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 36th ANNUAL GENERAL MEETING of the Langdale Owners' Club will be held on Sunday 2nd December 2018 at **1.30pm** at North West Auctions, Junction 36, Rural Auction Centre, Crooklands, Milnthorpe, Cumbria, LA7 7FP.

Agenda

A. Introduction

B. To consider and if thought fit, to pass the following ordinary Resolution:-

- 1.) To approve the minutes of the last Annual General Meeting.

C. Matters arising from the minutes of the last Annual General Meeting held on 26th November 2017.

D. Report of the Committee

E. To consider and if thought fit, to pass the following ordinary Resolutions:-

- 2.) To receive, approve and adopt the Financial Statements for the year ended 30th April 2018 together with the Report of the Committee and Auditors.
3.) To re-appoint Scott & Wilkinson LLP as Auditors of the Langdale Owner's Club and to authorise the Committee to fix their remuneration.

F. To consider and if thought fit, to pass the following ordinary Resolution:-

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

G. To consider and if thought fit, to pass the following special Resolution: -

- 5.) That the draft constitution enclosed with the AGM pack and titled "**Paper 1**" be adopted as the Constitution of the Langdale Owner's Club in substitution for, and to the exclusion of, the existing Constitution of the Club.

See "**Paper 2**" for an explanatory note from the Chairman

H. To transact such other business as may be properly transacted at an Annual General Meeting.

On behalf of the Committee



W I R Hamilton
Chairman
4th October 2018

Notes

1. Each member shall be entitled to one vote for each Holiday Certificate held subject to a maximum of twenty-five Holiday Certificates. Where a Holiday Certificate is owned jointly the vote of the first named joint owner of the Holiday Certificate only shall be counted.
2. Members are entitled to appoint a proxy to vote, on a poll, in their stead. A proxy need not be a member of the Club. The instrument appointing the proxy must be signed by the appointor, or his or her attorney duly authorised in writing, or if the appointor is a company, it must be sealed or signed by a duly authorised officer or attorney. The instrument appointing the proxy shall be deposited at the office of the Club not less than 48 hours before the time appointed for holding the meeting and in default the instrument of proxy shall not be treated as valid. A proxy shall be valid for this Annual General Meeting or any adjournment thereof.
3. Address of Club FAO Anne Durnall
 Langdale Owners' Club
 The Langdale Estate
 Great Langdale
 Nr Ambleside
 Cumbria
 LA22 9JD

The Langdale Owners' Club

Committee Report

The Committee presents its formal report and the audited accounts for the year ended 30th April 2018.

Elected Members: W I R Hamilton
J Walker
C J E Bird

In accordance with the Constitution, Langdale Owners PLC nominated the following Committee members as at 30th April 2018:

N Lancaster
I Murray

Statement of Committee Members' Responsibilities

The Committee is responsible for the management of the business and affairs of the Club and is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Club and of the results for that period. In preparing those financial statements, the Committee is expected to:

- *select suitable accounting policies and then apply them consistently;*
- *make judgements and estimates that are reasonable and prudent;*
- *prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Club will continue in business.*

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Club. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Club and to prevent and detect fraud and other irregularities.

In so far as the committee members are aware:

- *there is no relevant audit information of which the Club's auditors are unaware; and*
- *the committee members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.*

W I R Hamilton is a Director of Langdale Owners PLC. The Management Company is a division of Langdale Leisure Ltd which is a wholly owned subsidiary of Langdale Owners PLC.

N Lancaster is a Director of Langdale Leisure Ltd and I Murray is a Senior Manager of Langdale Leisure Ltd.

Auditors

Messrs Scott & Wilkinson act as auditors

INTRODUCTION

The year on which we are reporting to you, has been a very special year with the Lake District being awarded World Heritage site status, considered by many to be recognition that is long overdue.

Recognition by UNESCO as a World Heritage site is expected to bring new visitors as well as additional protection for the National Park. The unique combination of nature's formation of the environment and the stewardship of the landscape by man is one of the key features that resulted in the award.

The weather as always continued to dominate, with the winter storm dubbed the 'Beast from the East' bringing unseasonably low temperatures and heavy snowfall across the UK. They say that every cloud has a silver lining and many children (and adults!) enjoyed sledging and skiing for the first time in many years.

The team at Langdale responded to the challenge of the adverse weather and put into action their plans to manage the heavy snow conditions and many owners remarked on the efficiency and effectiveness of the team's efforts to keep the roadways and paths accessible on the estate, in very challenging weather conditions.

Many of you will have had the opportunity to experience Stove, the Brimstone Spa and the new Reception, all facilities provided by Langdale Owners PLC for the benefit of the estate as a whole. The Langdale team have settled in to make the most of the new facilities and the benefits they bring. The Langdale team welcome your feedback which will help to fine tune the services provided and to improve your experience.

The principal on-site activities this year were the lodge service delivery and general maintenance. Unseen by many, but important to all, were the replacement of the water tanks at Founders Seat and significant improvements to roadways and paths. All of these activities, seen and unseen contribute to making our time at Langdale a pleasure.

FINANCE

The total income from Management Fees, net of VAT, was £3,045,129, an increase of 2.7% over the previous year. Of this, £764,333 was managed by the Committee, together with the Reserve Fund, and this is the subject of the formal accounts presented with this report.

The Management Company spent £2,083,478 on Property Management Costs, which include services to owners and timeshare units, an increase of 7.2%. The Management Company fee was £197,317 in accordance with the current agreement.

Club Funds

The Club Fund income totalled £765,578 and the Reserve Fund balance of £9,736, brought forward at 1st May 2017, meant that funds of £775,314 were available for the year.

A total of £610,159 was spent on refurbishment, replacement and maintenance. Club operating costs and adjustments brought total expenditure to £663,696, leaving a balance to be carried forward at the year-end of £111,618.

Club Fund income collected through management fees was slightly lower this year compared to the previous year, due to planned reductions in specific areas of expenditure. The increase in the Club funds carried forward is related to the scheduling of planned refurbishment to take place in the next financial year.

Management Company Budget

The accounts for the Management Company are recorded in the accounts for Langdale Leisure Limited, but a breakdown of expenditure and income is given for information in Appendix 1 to this report. Appendix 2 shows the average management fee with historic comparison. (A copy of a letter from Langdale Leisure Limited's auditors appears at Appendix 3).

Management Fees

The total Management Fees incurred excluding VAT increased by 2.7% (£80,184), which compares to an increase in the Consumer Price Index of 1.0% (for the year to September 2016).

The Committee have agreed with the Management Company to continue the current Management Company Fee agreement, under the same terms, until 2019.

REFURBISHMENT AND MAINTENANCE

This year saw the end of the programme to refurbish all master bedrooms, with the final 12 being completed. Although it was not possible to start on second bedrooms during the year as originally hoped this second phase of bedroom refurbishment will commence in the next maintenance period 2018-19.

2017-18 saw a considerable expenditure on the non-lodge parts of the estate for which the Owners' Club is responsible. The two water tanks on Founder's Seat (dating from the early 1980s) were replaced and there was a major programme of roadway works, mostly between Founder's Seat/Hobson's Tarn and the boundary to the main road, and parking and access to several lodges has been improved. Substantial repairs to the waterways near Great Langdale Beck in the area of Lodges 4, 5 & 7 were carried out following the discovery of significant leaks.

In the wake of the Grenfell Tower disaster (and serious hotel fires in Scotland and Wales) fire safety has been a key focus for many organisations. The nearest permanently manned fire station to Langdale is now Barrow-in-Furness – at least 45 minutes away – so it is more important than ever that fire safety measures are maintained to the highest standard. Cumbria Fire & Rescue Service inspected the estate in January and on their recommendation improvements have been made at Chapel Stile and Elterwater Hall, both to fire detection and alarm systems and to escape routes.

During the year, 21 lodge roofs were cleared, surveyed and repaired. This is another example of the less visible but vital maintenance for which the Club is responsible.

Lastly, but by no means least, in response to owner requests, larger mugs and champagne flutes have been added to the inventory of all lodges.

The Committee and Management Company wish to acknowledge the co-operation, flexibility and generosity of spirit of owners, who, when approached, were willing to agree to move to an alternative lodge to facilitate the refurbishment programme this year. We all benefit from the continued and generous co-operation by owners during the various refurbishment activities.

The Committee would also like to express thanks to Ian Murray and Andy Dawson and their teams for their continuing efforts in keeping the timeshare accommodation and grounds at Langdale in such good condition.

MANAGEMENT COMPANY SERVICES

The Committee continue to monitor services to timeshare owners through your survey feedback and a regular report from Adam Sharrock on the issues that have been raised with him. We are encouraging owners to submit feedback online, though paper forms remain available on request. Formal complaints to the Committee continue to be very rare, but we remain concerned alongside the Management Company to see that all owners' concerns are properly and promptly dealt with.

If you experience a problem or have a need to make comment on the delivery of the services from the Management Company during your stay at Langdale, please make your comments during your stay, as early reporting helps the Management Team with problem resolution.

COMMITTEE MATTERS

Kit Bird was re-elected to the Committee at the 2017 AGM for a further term of 3 years.

Ian Hamilton's second 3 year term on the Committee ends at the 2018 AGM. Ian has registered his nomination for re-election, for a further 3 year term. Ian is currently the Chairman of the Langdale Owners' Club Committee.

IN CONCLUSION

The Committee and the team at Langdale continue to be committed to providing a holiday experience that you can enjoy and share with family and friends.

The operational pressures created by the current economic climate and continued impact of the Brexit negotiations are just a few of the issues that we have to consider and deal with as your Committee.

Legislation continues to impose additional costs and charges on us, many of which are statutory and mandatory, such as pension provision, wages, rates and indirect taxation. All of these increases feed through to increase the component costs that make up your management fee.

In addition, the challenges of managing a significant property estate and the supporting infrastructure over a time frame of 80 years is now requiring significant long term planning by your Committee and the management company.

With your support and commitment to Langdale we feel sure we can continue to ensure that the management fee represents good value and that we also strike an appropriate balance between quality of service delivered and the cost. Our aim is to ensure that you can continue to visit and enjoy your time at Langdale in the future.

On behalf of the Owners' Club Committee I thank you for your continued support.



Ian Hamilton
Chairman

The Langdale Owners' Club

The Independent Auditors Report

to the members of The Langdale Owners' Club

For the year ended 30th April 2018

We have audited the financial statements of The Langdale Owners' Club for the year ended 30 April 2018 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the accounting policies set out on page 10.

This report is made solely to the Club's members. Our audit work has been undertaken so that we might state to the Club's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Club and the Club's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Club's affairs as at 30 April 2018 and of its surplus for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Club in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Club's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The committee members are responsible for the other information. The other information comprises the information included in the Committee Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Langdale Owners' Club

The Independent Auditors Report

to the members of The Langdale Owners' Club (continued)

For the year ended 30th April 2018

Opinion on Other Matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Committee Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Committee Report has been prepared in accordance with applicable legal requirements.

Matters on Which We are Required to Report by Exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Committee Report.

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of committee member's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of committee members

The committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee members are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

3 August 2018



Tim Preece F.C.C.A.
(Senior Statutory Auditor)

For and on behalf of
Scott & Wilkinson LLP

Chartered Accountants
and Statutory Auditor

The Langdale Owners' Club

Balance Sheet

30th April 2018

	NOTE	2018 £	2017 £
Assets			
Cash deposits		173,517	23,580
Stock		10,475	12,341
Due from Langdale Leisure Ltd		-	-
Lodge Assets		1	1
		<u>183,993</u>	<u>35,922</u>
Liabilities			
Due to Langdale Leisure Ltd	9	72,375	26,186
		<u>72,375</u>	<u>26,186</u>
Net Assets		<u>111,618</u>	<u>9,736</u>
Club Fund			
Balance b/f 1 May 17		9,736	97,054
Increase/(Decrease) in funds		101,882	(87,318)
		<u>111,618</u>	<u>9,736</u>

Signed on behalf of the Committee



Ian Hamilton - Chairman
21st July 2018

The Langdale Owners' Club

Income and Expenditure Account

for the year ended 30th April 2018

INCOME	NOTE	2018 £	2017 £
Club Fund Contributions	3	764,333	826,013
Funds from Cancelled members		1,245	9,578
		<u>765,578</u>	<u>835,591</u>
EXPENDITURE			
Reserve Fund Replacements		612,025	874,930
Club Operating Costs		42,545	32,340
Unrecovered Costs on Cancelled Members		9,063	15,576
Bank Charges		63	63
		<u>663,696</u>	<u>922,909</u>
Increase/(Decrease) in Funds		<u>101,882</u>	<u>(87,318)</u>

The Langdale Owners' Club
Notes to the Accounts
for the year ended 30th April 2018

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and are in accordance with applicable accounting standards.

Turnover

Turnover represents contributions receivable from owners, based on a fixed weekly amount per lodge.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Vat

The Langdale Owners' Club is not registered for Value Added Tax and therefore expenditure is shown inclusive of VAT.

2. Principal Object of the Club

In accordance with its Constitution, The Langdale Owners' Club is a non-profit making club whose object is to secure for members joint rights of ownership of the lodges at Langdale (including Elterwater Hall and Chapel Stile Apartments), and exclusive rights of occupation for the periods specified in the Holiday Certificates.

3. Club Fund

The Club Fund is made up of; a Reserve Fund created for the replacement of lodge fittings, equipment, furnishings and utensils (see note 5) and Club Operating Costs necessary for the running of the Club (see note 6).

Contributions to the Club Fund are based on all the weeks available for use and amount to about 25.1% of the total Management Fees.

The Income and Expenditure Account discloses The Club Fund contributions and expenditure as these form the transactions of The Club.

4. Operation

Under a Management Agreement dated 4th January 1982 with the Langdale Management Company ("the Company") (an operating division of Langdale Leisure Limited) the Club members agreed that the Company should on their behalf undertake the whole of the management and administration of the lodges and the Club.

From 1st May 1985 the Company is entitled to recover from the Club the costs it incurs under the Management Agreement plus the additional sum of 15%. A resolution was passed at the 2011 AGM to suspend the provisions contained in Clause 10 of the Management Agreement dated 4th January 1982 for a period of five years from 1st May 2011, on the basis of an agreement dated 4th February 2011 which provides for the Management Company's fee to be agreed annually between the Langdale Owners' Club Committee and the Management Company. This agreement has been further extended to April 2019.

Details of the Property Management costs incurred by the Management Company on behalf of the Club are disclosed for information only in Appendix 1.

The Langdale Owners' Club
Notes to the Accounts
for the year ended 30th April 2018

5. Amounts replaced from Reserve Fund

The figure of £610,159 shown on the Income and Expenditure as amounts replaced from Reserve Fund is comprised of the following:

	2018	2017
	£	£
Reserve Fund Expenditure:		
TV & HiFi's and other electrical (irons etc.)	6,632	7,335
Kitchen electrical	7,688	13,346
Kitchen & Bathroom sundries (cutlery, utensils etc.)	28,481	14,868
Crockery	10,814	16,262
Bedrooms	106,353	284,735
Carpets	8,509	14,040
Living room furniture	419	35,866
Soft furnishing (throws, cushions etc.)	3,508	8,117
Bathrooms	13,536	25,757
Linen	4,020	565
Roadways	78,846	74,786
Others	6,913	28,250
Design Fees	1,624	18,060
Kitchens	-	29,894
Balconies (inc furniture)	12,566	690
Boilers	-	131,746
Lodge maintenance	162,021	111,415
Painting	33,844	16,736
Alarms	9,248	13,229
Lighting	4,411	28,422
Water Tanks	28,027	-
Waterways	31,368	-
Fire Regulations/safety work	51,330	-
	<u>610,159</u>	<u>874,119</u>
Stock at 1st May 2017	12,341	13,152
Less: Stock	(10,475)	(12,341)
	<u><u>612,025</u></u>	<u><u>874,930</u></u>

6. Club Operating Costs

Specific costs incurred by the Langdale Owners' Club:	2018	2017
	£	£
Trustee Company Fee - Resort Feduciary Services	3,500	-
Auditors' Remuneration	2,718	2,640
Legal Fees	13,602	2,640
Annual General Meeting Expenses	7,889	10,402
Committee Meeting Expenses	7,393	10,367
Printing	3,050	3,388
Newsletter Costs	2,578	2,077
Insurance	424	422
WFR, Tatoc & Dial & Exchange	213	336
Sundries	1,178	68
	<u>42,545</u>	<u>32,340</u>

Committee members receive a mileage allowance for travel to meetings and are provided with overnight accommodation when necessitated by the timing and duration of meetings. 4 meetings of the Owners' Club Committee were held during the year (2017 5 meetings)

The Langdale Owners' Club
Notes to the Accounts
for the year ended 30th April 2018

7. Stock

This represents items purchased but unused at the Balance Sheet date valued at cost.

8. Lodge Assets

On completion of each lodge, the fittings, equipment, furnishings and utensils became the property of the Club. As these assets are subject to the rights of occupation until 30th April 2062, a nominal value of £1 is attributed to them.

9. Langdale Leisure Limited

This is an amount due from/(to) Langdale Leisure Limited.

	2018 £	2017 £
Balance at 1st May 2017	(26,186)	10,258
Club Fund Contributions	764,333	826,013
	<u>738,147</u>	<u>836,271</u>
Less: Reserve Fund Expenditure	(610,159)	(874,119)
Owners' Club Costs and Taxation paid by Langdale Leisure Ltd	(42,545)	(32,340)
Transfer Of Funds	(150,000)	50,000
Cancelled Member Fees	(7,818)	(5,998)
	<u>-</u>	<u>-</u>
Balance at 30 April 2018	<u>(72,375)</u>	<u>(26,186)</u>

The following pages do not form part of the audited accounts

The Langdale Owners' Club

Appendix 1

for the year ended 30th April 2018

	Note	2018 £		2017 £		
Personnel Costs						
Housekeeping		554,217		522,366		
Reception and ancillary		67,417		67,780		
Repairs and maintenance		225,364		213,447		
Administration and management		131,825		113,870		
Accounts and finance		55,486		51,815		
Staff transportation		81,066	1,115,375 36.6%	63,402	1,032,679	34.8%
		<u>278,375</u>	278,375 9.1%	<u>251,662</u>	251,662	8.5%
Rates						
		<u>278,375</u>	278,375 9.1%	<u>251,662</u>	251,662	8.5%
Maintenance & Grounds						
Repairs and maintenance - buildings		609		474		
Repairs and maintenance - general costs		104,015		119,164		
Grounds		153,717	258,341 8.5%	129,778	249,416	8.4%
Administration						
Administration and management - general costs		190,772		168,651		
Legal and professional		2,766	193,538 6.4%	2,784	171,435	5.8%
Laundry, Linen & Cleaning Supplies						
Lodge Cleaning - supplies and contract cleaning		83,660		78,980		
Laundry		36,435	120,095 3.9%	36,843	115,823	3.9%
Utilities						
Lighting, water and waste disposal		101,913	101,913 3.3%	105,080	105,080	3.5%
Insurance		15,840	15,840 0.5%	17,476	17,476	0.6%
Total Property Management Costs	a		<u>2,083,478</u>		<u>1,943,571</u>	
Club Fund Contributions		<u>764,333</u>	764,333 25.1%	<u>826,013</u>	826,013	27.9%
Management Company Fee		<u>197,317</u>	197,317 6.5%	<u>195,361</u>	195,361	6.6%
Total Management Fees Excluding Vat		<u>3,045,129</u>	3,045,129 100%	<u>2,964,945</u>	<u>2,964,945</u>	100%

a. Property Management Costs

This is the total expenditure (excluding VAT) for maintaining the lodges analysed over the principal heads of expenditure. Where costs are shared with other divisions of Langdale Leisure Limited, primarily the Langdale Hotel, only the proportion applicable to lodges is included in the accounts as expenditure.

The recharge of local authority rates, television license fees, cleaning, staff transport and insurance charges are treated as disbursements and are not therefore subject to VAT.

Wherever possible, expenditure is specifically allocated to lodges or other divisions of Langdale Leisure Limited. However, some items, principally elements of personnel costs, are incapable of specific allocation and are therefore apportioned with reference to agreed percentages.

Appendix 2

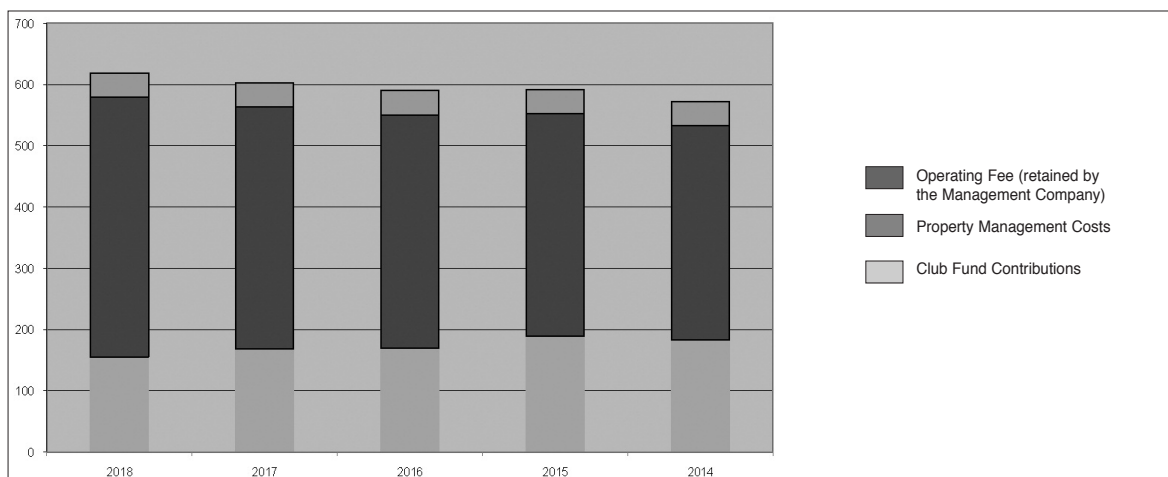
Average Management Fee Historic Comparison

for the year ended 30th April 2018

Year	2018	2017	2016	2015	2014
Number of weeks	4919	4919	4919	4919	4919

Property Management Costs

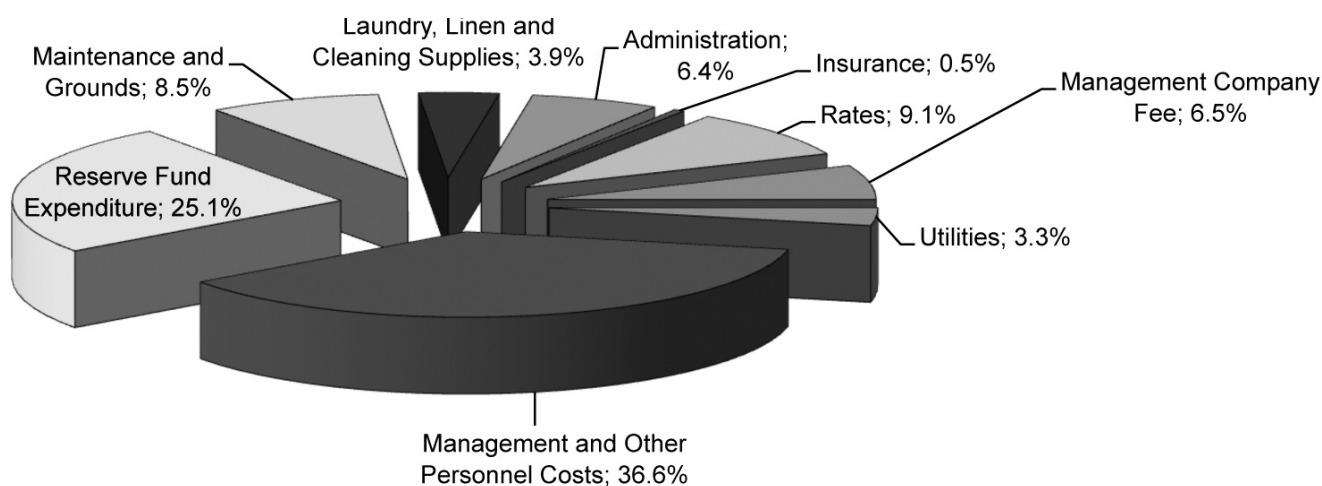
Personnel Costs	£	£	£	£	£
Housekeeping	112.67	106.19	101.25	97.80	93.20
Reception and ancillary	13.71	13.78	13.85	12.79	12.42
Repairs and maintenance	45.81	43.39	42.76	39.72	40.00
Administration and management	26.80	23.15	21.01	20.38	20.33
Accounts and finance	11.28	10.53	10.63	11.23	10.61
Staff transportation	16.48	12.89	14.24	10.99	10.64
Rates	56.59	51.16	49.02	48.94	47.02
Maintenance & Grounds					
Repairs and maintenance - buildings	0.12	0.10	0.70	0.91	0.52
Repairs and maintenance - general costs	21.15	24.23	17.61	17.18	17.11
Grounds	31.25	26.38	28.87	27.05	25.54
Administration					
Administration and management - general costs	38.78	34.29	35.46	30.11	28.66
Legal and professional	0.56	0.57	0.52	0.44	0.41
Laundry, Linen & Cleaning Supplies					
Lodge cleaning - supplies and contract cleaning	17.01	16.06	15.80	15.84	15.19
Laundry	7.41	7.49	7.15	9.23	7.86
Lighting, water and waste disposal	20.72	21.36	17.99	18.24	17.62
Insurance	3.22	3.55	3.41	3.05	2.91
Property Management Costs	423.56	395.12	380.27	363.90	350.04
Club Fund Contributions	155.38	167.92	169.78	188.80	183.42
Operating Fee (retained by the Management Company)	40.11	39.72	39.72	39.24	38.21
	619.05	602.76	589.77	591.94	571.67



Appendix 2

A percentage breakdown of the Property Management Costs, Reserve Fund Contributions and the Management Company Fee

For the year ended 30th April 2018	%	£
Utilities	3.3%	101,913
Management and Other Personnel Costs	36.6%	1,115,375
Reserve Fund Expenditure	25.1%	764,333
Maintenance and Grounds	8.5%	258,341
Laundry, Linen and Cleaning Supplies	3.9%	120,095
Administration	6.4%	193,538
Insurance	0.5%	15,840
Rates	9.1%	278,375
Management Company Fee	6.5%	197,317
	<u>100.0%</u>	<u>3,045,129</u>



Note: These charts are not part of the accounts, but for illustrative purposes only.

The Langdale Owners' Club
Appendix 3
for the year ended 30th April 2018

Reply to: Jenny McCabe
Our ref: LAN641/JMC/VK
Your ref:



17 August 2018

Langdale Leisure Limited
The Langdale Estate
Great Langdale
Nr Ambleside
LA22 9JD

Moore and Smalley LLP
Richard House
9 Winckley Square
Preston
PR1 3HP

Tel: 01772 821021
Fax: 01772 259441

Dear Sirs

Audit of management company

We have audited the financial statements of Langdale Leisure Limited which incorporates the 'Management Company' as a separate cost centre. The audit report for Langdale Leisure Limited is attached. The audit report is a clean report, showing that the accounts show a true and fair view.

Yours faithfully

Jenny McCabe
Partner
jenny.mccabe@mooreandsmalley.co.uk

www.mooreandsmalley.co.uk

Chartered accountants & business advisers

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