

The Langdale Owners' Club
Financial Statements
for the year ended
30th April 2009

Agenda and Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 27th ANNUAL GENERAL MEETING of the Langdale Owners' Club will be held on Sunday 15th November 2009 at 2.00 pm at the Langdale Hotel, the Langdale Estate, Great Langdale, Ambleside, Cumbria, LA22 9JD.

Agenda

1. Introduction
2. Reports from the Committee
3. To consider, and if thought fit, to pass a Resolution to approve the minutes of the last Annual General Meeting.
4. Matters arising from the minutes of the last Annual General Meeting.
5. To consider, and if thought fit, to pass the following ordinary Resolutions:-
 - 1) To receive, approve and adopt the Financial Statements for the year ended 30th April 2009, together with the Reports of the Committee and Auditors thereon.
 - 2) To re-appoint Scott & Wilkinson LLP as Auditors of the Club and to authorise the Committee to fix their remuneration.
 - 3) To re-elect Ian Hamilton as a member of the Committee of the Club.
6. To transact such other business as may be properly transacted at an Annual General Meeting.

On behalf of the Committee



F O Crouch
Chairman
26th July 2009

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 C/o F O Crouch
 Langdale Owners' Club
 The Langdale Estate
 Great Langdale
 Nr Ambleside
 Cumbria LA22 9JD

The Langdale Owners' Club

Report from the Committee

The Committee presents its formal report and the audited accounts for the year ended 30th April 2009.

Committee

Elected Members: F O Crouch
W I R Hamilton
A J Collier

In accordance with the Constitution, Langdale Owners PLC has nominated the following Committee members as at 30th April 2009:

J Longmuir
C Lister (resigned 14th March 2009)

Statement of Committee Members' Responsibilities

The Committee 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 company'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.

F O Crouch and W I R Hamilton are Directors of Langdale Owners PLC. The Management Company is a division of Langdale Leisure Ltd which is a wholly owned subsidiary of Langdale Owners PLC.

Joe Longmuir is a Director of Langdale Leisure Ltd . Colin Lister was a senior manager of Langdale Leisure Ltd.

Auditors

Messrs Scott & Wilkinson act as auditors

The Langdale Owners' Club

Committee Report

INTRODUCTION

Since Joe Longmuir joined Langdale in January 2008, he has made a number of improvements in the way in which the Management Company provides services to owners. Further, he has begun to develop ambitious plans to speed up the refurbishment of timeshare units – especially the lodges on the main site. The Committee welcomes these plans and looks forward to beginning their implementation in the coming year.

Joe continues to review the structure of the whole Company, ie Langdale Owners PLC (LOP), not just the Management Company which provides the services to the owners. This is in order to bring the needs of owners much more to the forefront of the Company's thinking.

PEOPLE AND ORGANISATION

Colin Lister left Langdale in March this year to begin what we hope will be a long and happy retirement with his wife Linda. He joined Langdale in 1990 and over the years built up an encyclopaedic knowledge of the fabric of the Estate. This was particularly invaluable when it came to the refurbishment of the timeshare units at Elterwater Hall and Chapel Stile, both being conversions of older buildings. Also, as the infrastructure of the site matured, Colin was well placed to keep the Committee informed of matters which were beginning to cause concern, such as boilers, water supply, waterways, etc; ie many of the things which we take for granted, but which nevertheless have to be attended to. He has served the owners well and we are most grateful to him.

Colin's departure meant that there was a vacancy on the Owners' Club Committee of one member of the two appointees which the Company makes, and Nick Lancaster, who was appointed Director of Resort Operations on 1st April 2009, has now joined the Committee. Nick joined Langdale in 2004 as Food & Beverage Manager. Within less than six months he had been promoted to Hotel Manager, and became General Manager in 2007. He has been instrumental in driving forward the Company's green objectives, in particular the installation of the Biomass boiler and has worked tirelessly with local networks to raise the Company's profile, not only within our own locality but also the entire county.

We congratulate Nick on his appointment to the Committee and hope that you will join with us in wishing him every success for the future.

He is responsible to Joe for a very wide and demanding set of functions, most of which impinge directly on the quality of the holiday we experience, and his appointment to the Committee fits in well with placing owners more at the focus of the Company's thinking.

In keeping with providing an increased focus on the owners, Adam Sharrock has recently been appointed Owner Relations Manager. Adam is another long-serving member of the Langdale team – in its widest sense. He joined Langdale in 1991, as a lodge cleaner in Housekeeping. In 1996 he became a Sales & Marketing Assistant, quickly rising to be a Timeshare Sales Representative and then Sales Manager. Adam will not only have been involved with many of you when making your purchase at Langdale, but will have assisted you in many other ways over the years.

Part of his new role is to monitor and take action regarding all aspects of the feedback received from lodge owners. Also, he is a personal point of contact for the duration of your stay and period of ownership at Langdale. We already know that he is putting together a more detailed list of events taking place in the Lakes throughout the year. Adam will report directly to Nick Lancaster and give him support in his new role on the Owners' Club Committee.

There have also been some changes within the Langdale Owners' Club (LOC). The Committee formed two Sub-Committees (Finance and Procurement) some time ago to advise it in their respective areas of expertise. In last year's report we said that Joe and Sarah O'Boyle, the Management Accountant, had asked to be given time to review the whole financial position, as this should be part of the Management Company's role. This has now been completed and the Finance Sub-Committee dissolved. The Procurement Sub-Committee will also close, following one more meeting and making its final report to the Committee. However, the members of both Sub-Committees have some very specialist knowledge and have kindly agreed to continue to help on an ad hoc basis. We wish to thank all those who willingly gave of their time to support the Committee and the owners in this way.

The latest form of the structure of the Company (LOP) is given in Figure 1. From this you will be able to see those parts of the organisation which clearly may affect your holiday. Through the shared-cost element within the Management Fee, we contribute to the costs of many of these.

FINANCE

The total income from Management Fees, net of VAT, was £2,285,826 - an increase of 2.1% over the previous year. Of this, £649,712 (**Club Funds**) 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 £1,480,661 (**ManCo Funds**) on Property Management Costs (that is to say, services to timeshare units and owners), and their surplus was £155,454 – 7.3% of total costs. The details of this expenditure appear in the Accounts for Langdale Leisure Limited, but a breakdown of expenditure and income is given for information in Appendices 1 and 2 to this report. The Owners' Club auditors letter confirming that the expenditure has been in accordance with the Owners' Club Constitution appears on page 7 and the Management Company's at Appendix 3.

Owners' Club Funds

Whilst contributions to the Club Funds collected via the Management Fee increased by 6.1% over the previous year, total income to the Club Funds reduced by some £90,000 in 2008-09: interest on cash deposits was down as interest rates fell, and the one-off rates rebate of nearly £120,000 in 2007-08 was not, of course, repeated.

On the expenditure side, a cautious approach was taken in anticipation of the rolling programme of refurbishment in future years, once plans are in place. The largest items were £127,492 for the refurbishment of bathrooms, mainly at Chapel Stile – see later, but in addition the shower in Lodge 43 was turned into a wet room, improving the bathing facility in this disability-friendly lodge, and £64,876 for repairs to the tarn on the main site near Lodges 23 and 57-61.

Club Funds are used for day-to-day replacements in timeshare units, the annual maintenance programme, refurbishment projects and Committee administration. The challenge for the next five years is to deliver a highly focused, tightly managed refurbishment programme within the funding framework of about £600,000 a year, while continuing to meet day-to-day replacement and maintenance needs. Quite a challenge!

Management Company Funds

The Management Company's expenditure (**ManCo Funds**) for the year 2008-09 exceeded the budget by some £20,000, resulting in their surplus being reduced to £155,454. This was due, in the main, to the budget for timeshare housekeeping proving to be insufficient to maintain the standards that owners expect. The surplus in 2007/8 was £192,734.

The ManCo "surplus" is in effect its fee for providing services to timeshare owners and, within the Management Agreement, can go as high as 15% of the operating costs of providing those services – in fact, it has always been well below this figure and excludes contributions to the Club Funds. So, in two consecutive years, the fee for providing essentially the same services has varied by £37,280, or a year-on-year reduction of 19%. Such variations do not help financial planning and management, nor the consistent pursuit of value for money, so as a trial for one year only (2009-10), the Committee has agreed with ManCo that they will receive a fixed fee of £175,000.

A realistic budget has been set, and the Committee will monitor carefully the income and expenditure throughout the year. Any surplus will be transferred to the Reserve Fund, and if there is any unavoidable shortfall this will be made up from the Reserve Fund.

The relationship between the Management Company and the Owners' Club is governed by the Constitution and related Management Agreement. The framework was established over 25 years ago and it is not surprising that current practice does not follow the Agreement precisely in every respect. ManCo and the Committee have therefore set up a working group to consider options for a Management Agreement which would set a framework appropriate for current circumstances, including a consistent and objective basis for the payments to ManCo for providing services. Any change must be beneficial to both parties, and effective management and value for owners' money are the overriding priorities. From the LOC side, Andrew Collier, David Wise (from the disbanded Finance Sub-Committee) and Fred Crouch are part of the working group.

PROGRESS AND THE FUTURE

Bathrooms

Refurbishment of the bathrooms in Chapel Stile (12 in total) was completed. The work was carried out by two contractors, one old and one new to Langdale. This proved to be an interesting and valuable exercise, with the project completed within the two-week maintenance

period in March. The experience gained will be invaluable as we prepare for major refurbishment of the lodges on the main site.

Given the space constraints in the bathrooms at Chapel Stile, we believe that a good result was achieved - and all this in an old building where space is tight and only the unexpected is to be expected!

Waterways

The tarn at Lodges 57-61 has been re-lined and now holds water, which has led to a small improvement in water levels further down the site. The full benefit will be felt once a more stable water supply has been restored, following resolution of the damage to the weir.

Together with the Company (LOP), we are trying to identify relatively low-cost solutions to get more water into the waterways and, once there, to keep it there by relining more of the tarns. In doing this, we are trying to reduce our reliance on water coming directly via the weir as whenever there has been a shortage of water in the Beck, the waterways through the site tend to dry up and become unsightly. Nothing is yet decided, but a borehole solution and/or a re-circulation system are certainly being investigated.

It is both the LOP's and LOC's responsibility and intention to maintain and wherever possible enhance the visual attractiveness of the site which, in many cases, was one of the reasons for buying at Langdale.

Maintenance

Regular maintenance went smoothly and to plan, and we are benefitting in the longer term by many small jobs being identified by the team when carrying out other work in a lodge. Dealing with these small jobs is then planned into routine maintenance rather than them only becoming apparent during the maintenance period, resulting in time and effort having to be diverted when there are larger things to do.

The tireless work of Ian Murray, the Maintenance Manager tasked with lodge maintenance, is appreciated by the Committee and his professionalism and ability to deliver on time are very much valued.

Lounge Furniture

As a result of numerous comments from owners, replacement of the lounge leather furniture in many lodges has been a high priority for some time. The furniture provided by a previous bespoke supplier did not meet with much favour from owners, and a new design for Langdale has been developed by the Committee working with our designer and a contractor. The timescale was quite short for such a project, but we have consulted with owners as much as we could, and had a sample on display for owners to see when using their week. Also, we have had samples on trial for a short time in a few lodges. By now, many properties have had the new furniture installed and we expect 52 to be completed by this autumn. We believe that a very good product has been secured from a quality contractor with whom we expect to have a long-term partnership.

Plans for 2009-10 and beyond

Much time has been devoted to the preparation of a Five Year Plan for the refurbishment of the lodges on the main site. Working with ManCo and our chosen designer, Katie Plumb, a scheme has been developed for the living areas (including lighting), kitchens and bathrooms. There was widespread consultation on the colour palettes for the living areas, and owners are thanked for their responses and helpful suggestions. Work will be undertaken on two lodges initially, and hopefully owners will be able to see the result at the time of the AGM and for a short while afterwards. Then the five year programme of implementation will commence. An interactive section on the Owners' Website is being set up to enable owners to see what work is planned for each individual lodge.

Televisions, Internet Access, etc

The new flat screen television sets were installed in June, and we hope that you have found them an improvement over what was there previously. However, this seems to be the easy part of the job. These TVs are working using the old signal distribution system, with only 12 channels available due to the limitations of that system. The next challenge is to secure the distribution of top quality signals to every lodge and timeshare unit.

A thorough review of the infrastructure across the Estate has been carried out, and the Committee and LOP Board have concluded that the best long-term option is to use a cable system, and to introduce the TV cable at the same time as replacing the existing telephone cable which is coming to the end of its useful life. The cables would use common ducting,

and economies would be achieved by doing both jobs together. The new telephone cable (with appropriate routers) would enable good quality Broadband to be available in every timeshare unit. Financing this project will not be easy, especially as the Reserve Fund and Management Fee income for the next few years will be fully extended in funding the refurbishment programme. TV and Broadband infrastructure is a high priority, and discussions are being held with LOP to see if ways can be found to finance this project sooner rather than later.

A great deal of effort is being put into this by both LOP and LOC, and the pace is quickening. We are hopeful that by the AGM there will be much more to report.

Disabled Access

The Committee has spent some time discussing access with disabilities. Langdale timeshare units have a variety of types of access, external and internal. Only one unit (Lodge 43) offers an improved level of accessibility for someone who is disabled. Anno domini is unfortunately catching up with an increasing number of long-term owners who now face access problems and other difficulties and have asked the Committee and Management Company what can be done to help.

As refurbishment takes place, the Committee and Management Company take accessibility into account and, where possible - for example in bathrooms, simple aids such as grab rails are installed. In addition, the Committee has asked the Management Company to survey all the timeshare units to identify where further improvements, such as handrails, might be made. Fortunately, there are now a number of helpful aids coming onto the market which can give support and help without having to be a permanent fixture; for example, suction handles for the side of baths, which we may consider.

So far as larger equipment or installations are concerned (eg stairlifts or hoists), the Committee has taken the view that such facilities may not be compatible with existing short-stay holiday accommodation occupied by a range of users. However, in the longer term, any newly-built timeshare units will take into account the prevailing disability standards of the day.

Owners with disabilities, for whom their current timeshare unit has become relatively inaccessible, may be able to rent or buy a week or weeks in an alternative unit – eg 'swapping' a two-storey Windermere or Ullswater lodge for a single-storey Coniston or Grasmere, or one on a more level site. There may of course be costs involved, but the Management Company may be able to help you to find a practical solution in individual cases.

Do not forget that ramps of different lengths are available from Langdale in order to help with getting into lodges from the outside. Their use may not be possible for all lodges, but the team will always try to help to find a solution. Wheelchairs are also available at Langdale on request. If you need either or both of these aids, please try to register your requirements in advance on the Confirmation of Arrival Form, or it may be a reason for contacting Adam!

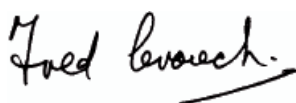
COMMUNICATION

The number of people who are using the Langdale Owners' Website continues to grow and is now around 50% of all owners. We urge you to register at www.langdaleownersclub.org.uk as this will enable you to keep abreast of developments at Langdale. We expect that soon, in common with many companies, AGM reports such as this, the Accounts, Notices, etc, will be made available electronically to those who have registered; but the option to have a hard-copy version through the post will remain.

FINALE

It has been another very busy year in which the Management Company has been energetically pro-active under the leadership of Joe Longmuir, to whom we are most grateful. He has brought much needed experience to the Management Company and has encouraged the staff to provide a higher quality of service across the site.

As regards matters to do with owners, Joe is ably supported by Nick Lancaster, Sarah O'Boyle and Anne Durnall, but our thanks go not just to them, but to all the staff at Langdale for their continued support.



On behalf of the Committee

F O Crouch

Chairman

The Langdale Owners' Club

The Independent Auditors Report

to the members of The Langdale Owners' Club
For the year ended 30th April 2009

We have audited the financial statements of The Langdale Owners' Club for the year ended 30 April 2009 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).

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.

Respective Responsibilities of Committee Members and Auditor

The committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Club's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by committee members; and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Club's affairs as at 30 April 2009 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on Other Matters

In our opinion the information given in the Committee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


Matters on Which We are Required to Report by Exception

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.

Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

2 September 2009



T M Preece FCCA
(Senior Statutory Auditor)

For and on behalf of
Scott & Wilkinson

Chartered Accountants
and Statutory Auditor

The Langdale Owners' Club

Income and Expenditure Account

for the year ended 30th April 2009

INCOME	NOTE	2009 £	2008 £
Club Fund Contributions	3	649,712	612,588
Interest on Cash Deposits		9,086	15,268
Interest on Rates Rebate		-	7,709
Interest on Tax Rebate		-	3
Rates Rebate		-	112,170
		<u>658,798</u>	<u>747,738</u>
EXPENDITURE			
Reserve Fund Replacements	5	609,362	708,023
Club Operating Costs	6	34,277	68,207
Tax on Cash Deposits		1,818	3,054
Bank charge		29	77
		<u>645,486</u>	<u>779,360</u>
Corporation Tax		91	1,561
Increase/(Decrease) in funds		<u>13,221</u>	<u>33,183</u>

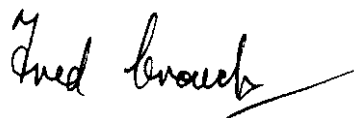
The Langdale Owners' Club

Balance Sheet

30th April 2009

	NOTE	2009 £	2008 £
Assets			
Cash Deposits		354,078	326,838
Stock	7	16,420	16,820
Lodge Assets	8	1	1
		<u>370,499</u>	<u>343,659</u>
Liabilities			
Amount Held in Trust for Former Members	9	9,379	9,379
Due from/(to) Langdale Leisure	10	30,704	15,616
Provisions for taxation		91	1,561
		<u>40,174</u>	<u>26,556</u>
Net Assets		<u>330,325</u>	<u>317,104</u>
Club Fund			
Balance b/f 1 May 2008		317,104	350,287
Increase/(Decrease) in Funds		13,221	33,183
		<u>330,325</u>	<u>317,104</u>

Signed on behalf of the Committee



Fred Crouch - Chairman
26th July 2009

The Langdale Owners' Club
Notes to the Accounts
For the year ended 30th April 2009

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.

Investments

All investments are stated at Market Value.

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 6) and Club Operating Costs necessary for the running of the Club (see note 7).

Contributions to the Club Fund are based on all the weeks available for use and amount to about 28% 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%. For the year ended 30th April 2009 the Company waived its right to more than half of the additional sum.

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

Appendix 2 discloses for information the total Management Fees collected and the Management Company's margin.

The Langdale Owners' Club
Notes to the Accounts
For the year ended 30th April 2008

5. Amounts replaced from Club Fund

The figure of £609,362 shown on the Income and Expenditure Account as amounts replaced from Reserve Fund is comprised of the following:

	2009	2008
	£	£
Reserve Fund Expenditure:		
TV & HiFi's and other electrical [irons etc.]	7,802	13,297
Kitchen electrical	15,572	8,645
Kitchen sundries [cutlery, utensils etc.]	22,342	27,297
Crockery	4,552	2,826
Bedroom furniture	2,105	821
Carpets	4,537	21,441
Living room furniture	29,415	58,642
Soft furnishing [throws, cushions etc.]	1,238	3,245
Bathrooms	127,492	278,195
Linen	24,345	1,938
Building	133,814	56,080
Design	12,181	20,212
Others	14,627	23,918
Project Management	42,974	45,367
Balconies (inc furniture)	1,867	-
Boilers	17,237	8,245
Lodge maintenance	101,454	22,681
Painting	31,189	43,931
Alarms	14,219	60,851
	<u>608,962</u>	<u>697,632</u>
Stock at 30th April 2008	16,820	27,211
Less: Stock at 29th March 2009	(16,420)	(16,820)
	<u>609,362</u>	<u>708,023</u>

6. Club Operating Costs

	2009	2008
	£	£
Specific costs incurred by the Langdale Owners' Club:		
Trustee payment - HSBC Trust Company	3,815	3,247
Auditors' Remuneration	2,350	2,235
Legal Fees	1,543	30,043
Annual General Meeting Expenses	5,545	4,598
Committee Meeting Expenses	9,567	9,551
Printing	4,138	4,342
Newsletter Costs	5,223	9,987
Insurance	780	-
WFR & Tatoc	776	265
Sundries	540	3,939
	<u>34,277</u>	<u>68,207</u>

Committee and Sub-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. Six meetings of the Owners' Club Committee were held during the year (2008 six meetings). The Finance Sub-Committee met twice and the Procurement Sub-Committee met four times during the year.

7. Stock

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

The Langdale Owners' Club
Notes to the Accounts
For the year ended 30th April 2008

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 31st March 2062, a nominal value of £1 is attributed to them.

9. Amount held in trust for former members

This is an amount due to former members of the Club following sale of their timeshare weeks in order to clear outstanding management fees. These former members have not informed the Club of a current address. The net proceeds of sale are held in the Club Fund for payment to the former members.

10. Langdale Leisure Limited

This is an amount due to Langdale Leisure Limited.	2009	2008
	£	£
Balance at 30th April 2008	(15,616)	67,756
Club Fund Contributions	649,712	612,588
Interest on Rates Rebate	-	7,709
Rates Rebate	-	112,170
	634,096	800,223
Less: Reserve Fund Expenditure	(608,962)	(697,632)
Owners' Club costs	(34,277)	(68,207)
Transfer Of Funds	(20,000)	(50,000)
Corporation Tax	(1,561)	
Balance as at 30th April 2009	<u>(30,704)</u>	<u>(15,616)</u>

The following pages do not form part of the audited accounts

The Langdale Owners' Club

Appendix 1

for the year ended 30th April 2009

Property Management costs

	2009		2008			
Notes	£	£		£	£	
Personnel Costs						
Housekeeping	a	335,257		280,705		
Reception and ancillary		45,525		43,276		
Repairs and maintenance		135,228		120,735		
Administration & management		83,041		87,243		
Accounts and finance		43,379		37,490		
Staff Transportation		<u>40,080</u>	682,510	<u>27,965</u>	597,415	26.7%
Rates		<u>240,742</u>	240,742	<u>246,169</u>	246,169	11.0%
Maintenance & Grounds						
Repairs and maintenance - buildings		7,963		7,766		
Repairs and maintenance - general costs		63,285		57,386		
Grounds		<u>113,599</u>	184,847	<u>90,826</u>	155,977	7.0%
Administration						
Administration and management - general costs		118,993		116,130		
Legal and professional		<u>2,805</u>	121,798	<u>-</u>	116,130	5.2%
Laundry, Linen & Cleaning Supplies						
Lodge Cleaning - supplies and contract cleaning		79,369		104,744		
Laundry		<u>39,227</u>	118,596	<u>49,755</u>	154,499	6.9%
Utilities						
Lighting, water and waste disposal		<u>115,548</u>	115,548	<u>110,417</u>	110,417	4.9%
Insurance		<u>16,620</u>	16,620	<u>15,756</u>	15,756	0.7%
Total Property Management Costs		<u>1,480,661</u>		<u>1,396,363</u>		
Reserve Fund Contributions		<u>649,712</u>	649,712	<u>612,588</u>	612,588	27.4%
Operating Surplus retained by Management Company.		<u>155,453</u>	155,453	<u>192,704</u>	192,704	8.6%
Rates Rebate retained by management company		<u>-</u>	-	36,670	36,670	1.6%
Total Management Fees Excluding Vat		<u><u>2,285,826</u></u>	<u>100.0%</u>	<u><u>2,238,325</u></u>	<u>100.0%</u>	

Appendix 2

for the year ended 30th April 2009

Analysis of Management Fees and Management Company operating surplus for the year ending 30th April 2009

	2009 £		2008 £
Management Fees collected from Owners	2,267,197		2,213,578
Management Fees in respect of unsold weeks	18,629		24,747
Total Management Fees	2,285,826	b	2,238,325
Club Fund Contributions	(649,712)	28.4%	(612,588)
Management Fees available to meet Property Management costs	1,636,114		1,625,737
Property Management Costs	(1,480,661)		(1,396,363)
Operational Surplus retained by Management Company	155,453	c	229,374
Property Management Costs	1,480,661		1,396,363
Committee costs	34,277		40,320
Reserve Fund expenditure	609,362		708,023
Total costs [excluding tax]	<u>2,124,300</u>		<u>2,172,593</u>
Management Company Operating Surplus	<u>155,453</u>		<u>192,704</u>
Rates Rebate	-		36,670
Operating surplus % [of total costs ex tax]	<u>7.3%</u>		<u>8.9%</u>
Maximum Operating surplus	<u>15% 318,645</u>		<u>15% 325,889</u>

Notes to Appendices 1 and 2

for the year ended 30th April 2009

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 licence fees, water rates, 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.

b. Management Fees

Income shown under this heading consists of the weekly Management Fees (excluding VAT) payable by lodge owners and by Langdale Leisure Limited for the maintenance of the lodges and those parts of the Langdale Estate attributable to them.

c. Operating surplus

The operating surplus for the year represented 7.3% of total costs (8.9% 2008). This being well below the 15% as allowed in the Management Agreement.

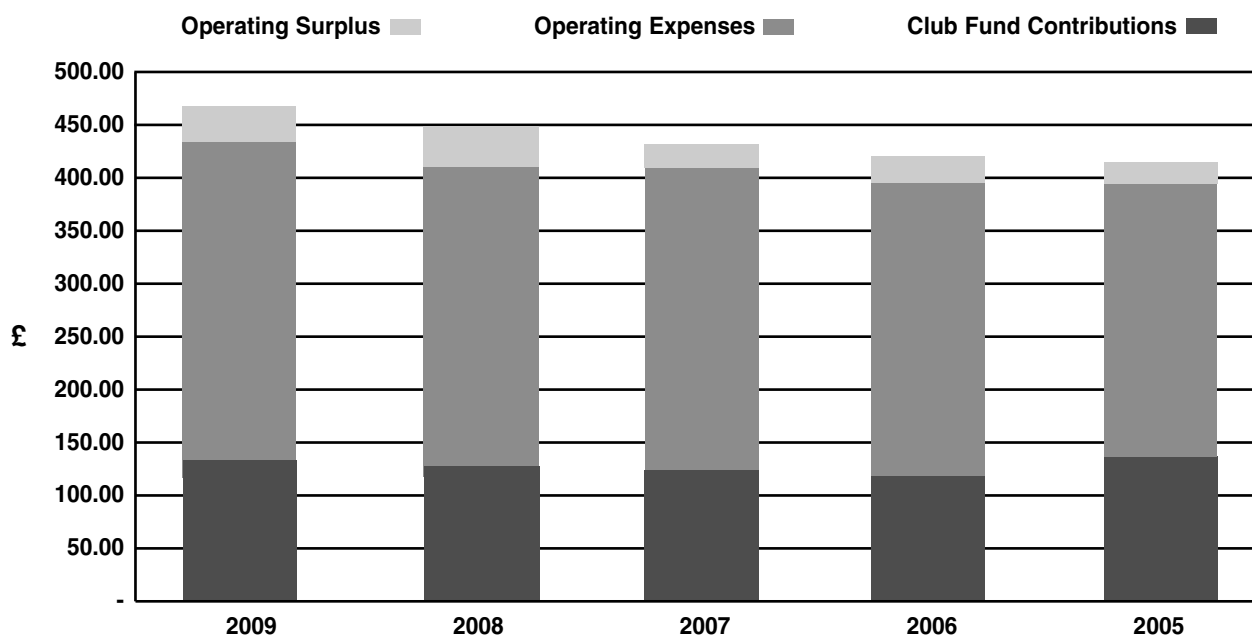
NB The operating surplus is calculated as a percentage of total costs, i.e. operating expenses, Owners' Club costs and Reserve Fund expenditure.

Average Management Fee Historic Comparison

for the year ended 30th April 2009

Langdale Owners' Club
Average Management Fee Historic Comparison
for the year ended 30th April 2009

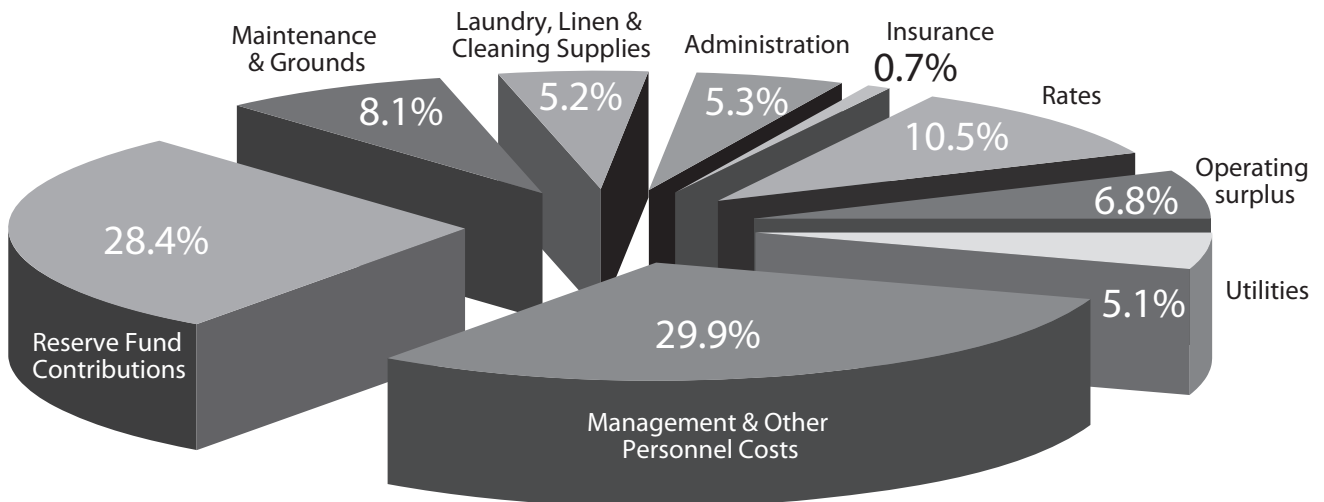
	Year	2009	2008	2007	2006	2005
Number of weeks		4919	4919	4919	4919	4919
Property Management Costs						
Personnel Costs						
Housekeeping		68.16	57.07	61.79	59.41	56.08
Reception and ancillary		9.25	8.80	9.36	8.50	7.37
Repairs and maintenance		27.49	24.54	26.65	23.66	23.35
Administration & management		16.88	17.74	18.48	17.64	12.65
Accounts and finance		8.82	7.62	7.62	9.82	9.24
Staff Transportation		8.15	5.69	5.65	5.74	4.66
Rates		48.94	50.04	53.13	53.87	48.84
Maintenance & Grounds						
Repairs and maintenance - buildings		1.62	1.58	0.70	1.00	0.98
Repairs and maintenance - general costs		12.87	11.67	11.47	10.80	12.77
Grounds		23.09	18.46	16.55	16.30	15.11
Administration						
Administration and management - general costs		24.19	23.61	23.39	22.39	25.75
Legal and professional		0.57	-	-	-	-
Laundry, Linen & Cleaning Supplies						
Lodge Cleaning - supplies and contract cleaning		16.14	21.29	17.08	15.95	15.30
Laundry		7.97	10.11	9.72	9.57	8.95
Lighting, water and waste disposal		23.49	22.45	21.41	18.63	13.69
Insurance						
		3.38	3.20	3.20	3.27	3.61
Total Property Management Costs		301.01	283.87	286.20	276.55	258.35
Club Fund Contributions		132.08	124.54	121.26	117.34	134.63
Operating Surplus retained by Management Co.		31.60	39.18	22.58	23.90	19.09
		464.69	447.58	430.04	417.79	412.07



A percentage breakdown of the Property Management Costs, Club Fund Contributions and the Management Company Surplus

for the year ended 30th April 2009

Utilities	5.1%	115,548
Management & Other Personnel Costs	29.9%	682,510
Reserve Fund Contributions	28.4%	649,712
Maintenance and Grounds	8.1%	184,847
Laundry, Linen and Cleaning Supplies	5.2%	118,596
Administration	5.3%	121,798
Insurance	0.7%	16,619
Rates	10.5%	240,742
Operating surplus	6.8%	155,453
	<u>100.0%</u>	<u>2,285,826</u>



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



Reply to: Judith Dugdale
Our ref: JST/JAD/MB/LAN641 - CR
Your ref: PW/TMP/LOO67



30 September 2009

Langdale Owners Club
The Langdale Estate
Great Langdale
Cumbria
LA22 9JD

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
for and on behalf of Moore and Smalley LLP

A handwritten signature in cursive script that reads "Judith Dugdale".

Judith Dugdale
Corporate Services Director
judith.dugdale@mooreandsmalley.co.uk

Enclosures

Moore and Smalley LLP, Priory Close, St Mary's Gate, Lancaster, Lancashire LA1 1XB
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Figure 1

