



The Langdale Owners' Club
Financial Statements
for the year ended
30th April 2022

Agenda and Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 40th ANNUAL GENERAL MEETING of the Langdale Owners' Club will be held on Sunday 6th November 2022 at 1300 hours 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 held on 7 November 2021.

C. Matters arising from the minutes of the last Annual General Meeting held on 7 November 2021.

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 2022 together with the Report of the Committee and Auditors.
- 3.) To re-appoint Xeinadin Audit Limited as Auditors of the Club and to authorise your Committee to fix their remuneration.

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

- 4.) To re-elect Paula Gorst as a member of the Committee of the Club who has offered herself 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.) The Resolution set out in the enclosed Paper A, which includes an explanatory note from your Committee.

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

3rd August 2022

Notes

1. Each member shall be entitled to one vote for each Holiday Certificate held subject to a maximum of 25 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: The Owners Committee
 Langdale Owners' Club
 The Langdale Estate, Great Langdale, Nr Ambleside, Cumbria LA22 9JD

Committee Report

The Committee presents its formal report and the audited accounts for the year ended 30th April 2022.

Elected Members: W I R Hamilton
C J E Bird
P Gorst

In accordance with the Constitution, Langdale Owners PLC nominated the following Committee members as at 30th April 2022:

M Coletta
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.

M Coletta is a Director of Langdale Owners PLC. I Murray is a Senior Manager of Langdale Leisure Ltd.

Auditors

Xeinadin Audit Limited act as auditors

INTRODUCTION

The Covid-19 pandemic continued to have an impact during the year on which we are reporting. Thankfully we are not having to report more closures, apart from at Chapel Stile in May 2021 where unfortunately it was not possible to reopen as soon as on the rest of the estate.

Whilst we were pleased to have timeshare fully open again, other operations on the estate have been severely impacted throughout the year which in turn has affected Owners' experiences when visiting Langdale. The main cause has been problems with staffing; initially this was due to staff having to self-isolate because of (and in many cases being ill with) Covid. December/January was a particularly difficult period. Although Covid-related absence is now less of a problem it continues to be difficult to get staff, and as we're sure many of you will be aware this is a problem facing many businesses in the UK at the moment, especially the hospitality industry. The Management Company is however relatively well-staffed in those departments providing services directly to the Club.

We must once again thank all the team at Langdale who continue to deliver the best possible service in often challenging circumstances. We also thank you, our Owners, for your understanding that things are still not quite as they were before the pandemic.

In addition to Covid difficulties, on 26 November 2021 Langdale was hit by Storm Arwen which caused widespread damage across Scotland and the North of England. Whilst only one timeshare unit was significantly damaged, power cuts affected the estate for three days and it was an uncomfortable experience for all concerned. Around 110 trees were brought down with many others having to be removed as they were felt to have become unsafe. Sadly such severe weather is becoming something we have to learn to live with.

The Langdale estate made an appearance in Simon Reeve's BBC documentary series "The Lakes" which aired in the autumn of 2021. The Langdale segment featured Simon trying his hand at cleaning a lodge and interviewing two of our housekeeping team.

During the year we said farewell to two long-serving members of the Management Company team, Deputy Managing Director Anne Durnall and Maintenance Manager Tim Brereton. Whilst they may not be familiar faces to Owners they have both played key roles in keeping the timeshare operation running smoothly. We wish them both well for the future and thank them for their contributions to Langdale.

Beyond the Langdale valley the year was marked by the England men's team reaching the finals of a major football tournament for the first time since 1966, beating Germany (but not Scotland) along the way. Emma Raducanu became the first qualifier to win a tennis grand slam tournament, winning the US Open.

In November 2021 Glasgow hosted the COP-26 environmental conference, though the positive feelings and good intentions it generated have to a large extent been overshadowed by international political events which are having a significant impact on global energy supplies, leading to increases in energy prices and adding to the rising costs which are affecting us all.

Your Committee's principal on-site activities this year focused on accommodation service delivery, replacement of balconies and completion of the bedroom refurbishment programme. We have continued our sponsorship of the Aspiring Leaders Programme and the Our Man at the Top project, as described in earlier reports. We thank you for your continuing support of both these causes through your donations.

Finally, 2022 marks the halfway point in the 80-year span of our timeshare leases. There have been many ups and downs over the past 40 years, from the purchase of the estate in 1996 to the recent pandemic. Throughout it all Langdale has aimed to remain a tranquil, sustainable and relaxing destination which Owners, their families and friends can enjoy. We cannot say what the next 40 years will bring but we will strive to preserve the estate as a place which future generations will come to love and cherish as much as we do.

FINANCE

The total income from Management Fees, net of VAT, was £3,234,181, a decrease of 1.9% over the previous year. Of this, £742,449 was managed by your Committee, together with the Reserve Fund, and this is the subject of the formal accounts presented with this report.

The Management Company spent £2,279,440 on Property Management Costs, which include services to Owners and timeshare units, an increase of 34.5%. The increase is due to a return to more normal operating conditions following the Covid-19 emergency. The Management Company fee was £212,292 in accordance with the current agreement.

Club Funds

The Club Fund income totalled £633,275 and the Club Fund balance of £59,588, brought forward at 1st May 2021, meant that funds of £692,863 were available for the year.

A total of £444,366 was spent on refurbishment, replacement and maintenance. Club operating costs and other charges brought total expenditure to £462,887.

The Covid-19 emergency impact on the Langdale Estate resulted in a budget underspend on Property Management costs, and after Management Fee credits to Owners affected left a Club Fund balance to be carried forward at the year-end of £229,976.

Covid-19 impacts and Adjustments

The Covid-19 emergency resulted in a direct impact on costs. The provision of government support with rates relief and specific Covid-19 support grants has helped to reduce the financial impact on the Langdale Estate.

The Club has in this financial year refunded to members the cost saving of £139,491. The savings made were chiefly due to disbursements (business rates relief), with some savings on payroll and other operational costs. The disbursements cost savings by their nature can only be refunded to the person who made the payment, as the funds are provided for a specific purpose, e.g. rates.

The Langdale Owners' Club was not able to apply for loans under the Coronavirus Business Interruption Loan Scheme, nor was it eligible for the temporary VAT reduction which was made available to certain sectors.

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. In addition Appendix 2 shows the average management fee with historic comparison.

Management Fees

The total Management Fees budget excluding VAT, for 2021 - 2022 decreased by 1.9% over the previous year. The Covid-19 emergency has continued to impact operational costs in that there were savings as a result of receiving government support and reduced spend due to Covid-19 operating restrictions. However, there were additional costs incurred related to continuing bio-security measures and operating budgets have been adjusted where appropriate.

Management Company Fee

The Committee have agreed with the Management Company to continue the current Management Company Fee agreement, until 2024.

REFURBISHMENT AND MAINTENANCE

It has been another extremely busy year for the maintenance and grounds teams as in addition to the maintenance and refurbishment programme they have managed the devastation left in the wake of the winter storms. We would like to extend special thanks from the Committee and on behalf of the Owners to Ian Murray, Andy Dawson and their teams for all the work they have undertaken.

Winter storms, and in particular Storm Arwen, caused a huge amount of damage to the Langdale estate. Andy Dawson and his team have worked tirelessly to bring the grounds back to their former glory and once again the estate is looking well-manicured and cared for. It is a credit to the team that so many Owners comment on the excellent condition of the grounds. This work was carried out in addition to routine work such as keeping gutters, drains and waterways flowing freely.

Three main areas were the focus of this year's refurbishment programme. The balcony areas of 21 lodges were given a face lift and the new glass and surrounds in particular have made a real difference to the feel of these outside spaces. In 28 lodges a hallway fire separation exercise was undertaken. Whilst this is not a glamorous project it is very worthwhile and improves fire safety within the properties. The final 9 guest bedrooms were refurbished completing this project. In addition, the access routes to lodges 34, 35 and 37 were rebuilt and access is now much safer, easier and looks very stylish. Resurfacing works are planned for Elterwater Hall in autumn 2022.

The maintenance team have been extremely busy and were joined by Martin Helstrip in January 2022 as Maintenance Manager. It is important to note that the team have to balance statutory obligations with routine maintenance. Each year it is essential to ensure all the properties are safe and meet the statutory requirements for gas, electricity and Legionella in addition to ensuring fire alarms and emergency lighting are serviced. A rolling programme of testing and safety checks on all properties is in place.

During the maintenance period each property is thoroughly checked by a member of the team; there are over 70 areas included. In addition to this any allocated works have to be undertaken. These works can include anything from replacing a wardrobe door hinge to completely re-tiling a bathroom.

Ian Murray, Andy Dawson, Martin Helstrip and their teams face many challenges to ensure all properties are well maintained and safe and that the grounds are in excellent condition.

MANAGEMENT COMPANY SERVICES

It is a relief to be able to report on a full 12 months of the Management Company being able to operate without any government restrictions. "Freedom Day" in England was 19 July 2021 and the history books will suggest that this was the end of the pandemic, but as we all know, this was not the case. Langdale had been successful in avoiding any outbreaks on site at the height of the pandemic, so it is ironic that the estate was hit hardest over the festive period that followed the country's release date.

The Management Company provides Housekeeping, Administrative, Grounds and Maintenance services to the Club and in addition to the impact on staff caused by Covid outbreaks, wage inflation forced a review of all departments pay structures in an attempt to avoid a talent and knowledge drain. Thankfully within the departments mentioned this has been received positively and departures have been minimal while recruitment for employment gaps has been successful. Sadly, this is not the case in many other departments that Langdale Leisure Ltd operates outside of the Management Company and this has and continues to result in restricted services for all guests visiting the estate.

The team have continued to deliver a great service during particularly challenging times, and these have been compounded by the lead time on supplies, which creates delays that do impact on Owners, but temporary solutions are found so that everyone can enjoy their holiday.

The Management Company review your survey feedback daily and will consult with Owners on any concerns. Your Committee also receive sight of these surveys and are kept informed of any challenges that the Management Company may experience in resolving matters. Formal complaints to your Committee continue to be rare but when they do occur your Committee will work closely with the Management Company to ensure a swift resolution.

If you experience a problem or have a need to make comment on the delivery of the services from the Management Company, please make your comments during your stay, as early reporting helps the Management Team with problem resolution - Gary Dixon will be pleased to assist you.

Nothing can be perfect all of the time, but your Committee are confident and satisfied that the team in the Management Company make every effort to deliver the best possible service and experience to our Owners, every day of your holiday and on behalf of all Owners your Committee would like to express their gratitude to every member of that team.

COMMITTEE MATTERS

Committee election and nomination

Paula Gorst was nominated and confirmed as a member of the Langdale Owners' Club Committee at the 2020 AGM to fill a vacancy following Jill Walker standing down.

Paula Gorst's first term on the Committee ends at the 2022 AGM. Paula has registered her nomination to stand for re-election, for a further 3 year term.

Surrender scheme

The Langdale Surrender Scheme to enable Owners to hand back their weeks was launched in July 2021. Details of eligibility and how the scheme operates can be found on the Owners' Club website.

During the period to 30th April 2022 four weeks were surrendered, one of which was subsequently sold. All three of the weeks that have fallen due for occupation since being surrendered were successfully rented out.

The scheme had an excess of income over expenditure of £2,495 of which £1,247 is attributable to LOC. Surrender fees and sale proceeds are being held in a Surrender Reserve which will be used to offset any future excesses of expenditure over income. At 30th April 2022 the Surrender Reserve was £3,799. A more detailed financial breakdown of the scheme is at Appendix 3.

Rule Changes

There were no changes to the Club Rules during the year.

IN CONCLUSION

The Owners' Club 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 impact of Covid-19, while reducing, continues to affect the economy, which is resulting in significant ongoing challenges.

The financial and operational pressures created as a result of the Covid-19 emergency has required ongoing action to be taken to comply with Government guidance and restrictions, until February 2022. Our aim during this period of emergency has been to ensure your safety, maintain communication and ensure that following the events related to Covid-19, that you can continue to visit and enjoy your time at Langdale in the future.

As mentioned in the introduction, 2022 marks the halfway point in the 80-year span of our timeshare leases. We hope that when you visit Langdale this year you will take time to reflect on how lucky we are to be sharing Langdale and perhaps celebrate your own memories of holidays at Langdale, with family and friends.

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

A handwritten signature in black ink, appearing to read 'I. Hamilton', written in a cursive style.

Ian Hamilton
Chairman
2nd August 2022

THE LANGDALE OWNERS' CLUB
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE LANGDALE OWNERS' CLUB
FOR THE YEAR ENDED 30 APRIL 2022

Opinion

We have audited the financial statements of The Langdale Owners' Club for the year ended 30 April 2022 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 8.

In our opinion the financial statements:

- give a true and fair view of the state of the Club's affairs as at 30 April 2022 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

In auditing the financial statements, we have concluded that the committee member's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Club's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the committee members with respect to going concern are described in the relevant sections of this report.

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.

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.

THE LANGDALE OWNERS' CLUB
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE LANGDALE OWNERS' CLUB (continued)**
FOR THE YEAR ENDED 30 APRIL 2022

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiries are made of management as to whether there is any knowledge of actual, suspected, or alleged fraud, whether there is any known non-compliance with laws or regulations, and whether the Club has been subject to any litigation or any legal claims.
- minutes of meetings of those charged with governance (ie, the committee members) are reviewed.
- audit work over the risk of management override of controls is undertaken. This includes testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- analytical reviews are performed on the financial statements at all stages of the audit by comparison to prior years, budgets and expectations to ensure the reasonableness of the figures therein.
- third party confirmation is obtained from the Club's bankers to confirm bank balances, loan facilities and security held.
- detailed audit testing is undertaken in specific areas to ensure that income and expenditure is correctly recorded and is a genuine income or expense of the Club.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE LANGDALE OWNERS' CLUB
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE LANGDALE OWNERS' CLUB (continued)**
FOR THE YEAR ENDED 30 APRIL 2022

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.

Use of our report

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.

Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

2 August 2022



Tim Preece F.C.C.A.
(Senior Statutory Auditor)
For and on behalf of
Xeinaidin Audit Limited
Chartered Accountants
and Statutory Auditor

The Langdale Owners' Club
Balance Sheet
For the year 30th April 2022

	NOTE	2022 £	2021 £
Assets			
Cash deposits		146,102	99,856
Stock	7	19,994	14,910
Due from SLDC		-	42,000
Due from Langdale Leisure Ltd	9	63,879	-
Timeshare Accommodation Assets	8	1	1
		<u>229,976</u>	<u>156,767</u>
Liabilities			
Due to Langdale Leisure Ltd	9	-	97,179
		<u>-</u>	<u>97,179</u>
Net Assets			
		<u>229,976</u>	<u>59,588</u>
Club Fund			
Balance b/f 30 April 2020		59,588	188,140
(Decrease) / Increase in Funds		170,388	(128,552)
		<u>229,976</u>	<u>59,588</u>

Signed on behalf of the Committee



Ian Hamilton
Chairman
2nd August 2022

The Langdale Owners' Club
Income and Expenditure Account
For the year ended 30th April 2022

INCOME	2022	2021
	£	£
Club Fund Contributions	742,449	1,590,243
Surrender Scheme Surplus	1,247	
Surrender Scheme Reserve	3,799	
Credits for weeks 18-26 2020	-	(446,962)
Credits for weeks 44-48 2020	-	(171,280)
Credits for Weeks 1-17 2021	-	(486,779)
Credits for 18 & 19 2021 CSA	(5,602)	-
Credits for open week rates	(133,889)	
Cancelled Member Fees	8,668	
Bank interest	2	-
SLDC grants	-	142,750
Insurance Claim	15,625	30,000
Donated Refunds from club members	976	1,899
	<u>633,275</u>	<u>659,871</u>
 EXPENDITURE		
Reserve Fund Replacements	444,366	767,864
Club Operating Costs	18,485	15,477
Unrecovered Costs on Cancelled Members	-	5,080
Bank Charges	36	5
	<u>462,887</u>	<u>788,426</u>
Corporation Tax	-	(3)
 Increase / (Decrease) in Reserve Funds	<u><u>170,388</u></u>	<u><u>(128,552)</u></u>

The Langdale Owners' Club
Notes to the Accounts
For the year ended 30th April 2022

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 timeshare accommodation 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 timeshare accommodation 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 23% 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 2024.

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 2022

5. Amounts replaced from reserve Fund

The figure of £444,366 shown on the Income and Expenditure as amounts replaced from Reserve Fund is comprised of the following:

	2022	2021
	£	£
Reserve Fund Expenditure:		
TV & HiFi's and other electrical (irons etc.)	14,824	47,063
Kitchen electrical	2,139	2,471
Kitchen & Bathroom sundries (cutlery, utensils etc.)	32,233	14,810
Crockery	6,627	7,589
Bedrooms	44,447	352,547
Carpets	2,399	11,224
Living room furniture	-	818
Soft furnishing (throws, cushions etc.)	6,238	992
Bathrooms	216	4,080
Linen	5,331	4,938
Others	2,949	3,997
Design Fees	-	1,123
Balconies (inc furniture)	28,867	58,390
Chapel Stile Project	9,495	-
Timeshare Accommodation maintenance	209,658	224,891
Painting	2,448	23,120
Alarms	11,147	12,415
Fire Regulations/safety work	70,433	-
	<u>449,451</u>	<u>770,469</u>
Stock at 30th April 2020	14,910	12,305
Less: Stock	(19,995)	(14,910)
	<u><u>444,366</u></u>	<u><u>767,864</u></u>

6. Club Operating Costs

Specific costs incurred by the Langdale Owners' Club:

	2022	2021
	£	£
Trustee Company Fee	-	3,500
Auditors' Remuneration	2,940	2,856
Legal Fees	1,445	1,380
Annual General Meeting Expenses	4,090	3,567
Committee Meeting Expenses	483	170
Printing	2,545	2,489
Newsletter Costs	202	59
Insurance	1,680	891
Euroc Membership	3,800	-
Sundries	1,300	565
	<u>18,485</u>	<u>15,477</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 (2021 4 meetings).

In addition to the 4 formal committee meetings a number of other discussions and meetings were held during the year, the conclusions of which were ratified at formal meetings.

The 4 formal committee meetings during the year were held over zoom.

The Langdale Owners' Club
Notes to the Accounts
For the year ended 30th April 2022

7. Stock

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

8. Timeshare Accomodation Assets

On completion of each timeshare unit, 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 to Langdale Leisure Limited.

	2022	2021
	£	£
Balance at 30th April 2021	(97,179)	203,134
Club Fund Contributions	742,449	1,590,243
Surrender Scheme	5,046	-
Refunds Processed	(139,491)	(1,205,798)
Donated Refunds from Club Members	976	1,899
Cancelled Member Sales	8,668	-
SLDC Grant	-	21,750
Insurance Claim	15,625	30,000
	<u>536,094</u>	<u>641,228</u>
Less: Reserve Fund Expenditure	(449,450)	(770,469)
Owners' Club costs and taxation paid by Langdale Leisure	(18,485)	(15,477)
Transfer Of Funds		52,619
Unrecovered Cancelled member fees	(4,280)	(5,080)
Balance	<u><u>63,879</u></u>	<u><u>(97,179)</u></u>

The following pages do not form part of the audited accounts

The Langdale Owners' Club

Appendix 1

For the year ended 30th April 2022

	Notes	2022 £			2021 £		
Personnel Costs							
Housekeeping	a	647,679			382,447		
Reception and ancillary		82,392			53,196		
Repairs and maintenance		259,403			183,071		
Administration and management		169,906			143,568		
Accounts and finance		53,771			52,232		
Staff Transportation		<u>150,234</u>	1,363,385	42.2%	<u>79,834</u>	894,348	27.1%
Rates							
		<u>97,795</u>	97,795	3.0%	<u>6,227</u>	6,227	0.2%
Maintenance & Grounds							
Repairs and maintenance - buildings		4,240			768		
Repairs and maintenance - general costs		133,265			73,183		
Grounds		<u>182,556</u>	320,061	9.9%	<u>133,497</u>	207,448	6.3%
Administration							
Administration and management - general costs		197,087			166,243		
Legal and professional		<u>379</u>	197,466	6.1%	<u>1,928</u>	168,171	5.1%
Laundry, Linen & Cleaning Supplies							
Lodge Cleaning - supplies and contract cleaning		98,758			72,500		
Laundry		<u>50,415</u>	149,173	4.6%	<u>24,424</u>	96,924	2.9%
Utilities							
Lighting, water and waste disposal		132,153	132,153	4.1%	105,197	105,197	3.2%
Insurance							
		<u>19,407</u>	19,407	0.6%	<u>16,158</u>	16,158	0.5%
Total Property Management Costs			<u>2,279,440</u>			<u>1,494,473</u>	
Club Fund Contributions		<u>742,449</u>	742,449	23.0%	<u>1,590,243</u>	1,590,243	48.2%
Management Company Fee		<u>212,292</u>	212,292	6.5%	<u>211,236</u>	211,236	6.5%
Total Management Fees Excluding Vat		<u>3,234,181</u>	<u>3,234,181</u>	<u>100%</u>	<u>3,295,952</u>	<u>3,295,952</u>	<u>100%</u>

The Langdale Owners' Club

Notes to Appendix 1

For the year ended 30th April 2022

a. Property Management Costs

This is the total expenditure (excluding VAT) for maintaining the timeshare accommodation 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 the timeshare accommodation 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 timeshare accommodation 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.

The Langdale Owners' Club

Appendix 2

Average Management Fee Historic Comparison

For the year ended 30th April 2022

Year	2022	2021	2020	2019	2018
Number of weeks	4919	4919	4919	4919	4919

Property Management Costs

Personnel Costs

Housekeeping	131.67	77.75	111.01	115.59	112.67
Reception and ancillary	16.75	10.81	14.03	14.94	13.71
Repairs and maintenance	52.73	37.22	45.71	47.18	45.81
Administration & management	34.54	29.19	30.79	29.88	26.80
Accounts and finance	10.93	10.62	10.73	11.32	11.28
Staff transportation	30.54	16.23	18.88	20.82	16.48

Rates	19.88	1.27	54.62	55.78	56.59
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Maintenance & Grounds

Repairs and maintenance - buildings	0.86	0.16	0.27	0.35	0.12
Repairs and maintenance - general costs	27.09	14.88	20.17	21.00	21.15
Grounds	37.11	27.14	29.95	31.91	31.25

Administration

Administration and management - general costs	40.07	33.80	37.70	36.53	38.78
Legal and professional	0.08	0.39	0.57	0.59	0.56

Laundry, Linen & Cleaning Supplies

Lodge cleaning - supplies and contract cleaning	20.08	14.74	18.72	16.86	17.01
Laundry	10.25	4.97	6.54	7.68	7.41
Lighting, water and waste disposal	26.87	21.39	18.37	29.91	20.72

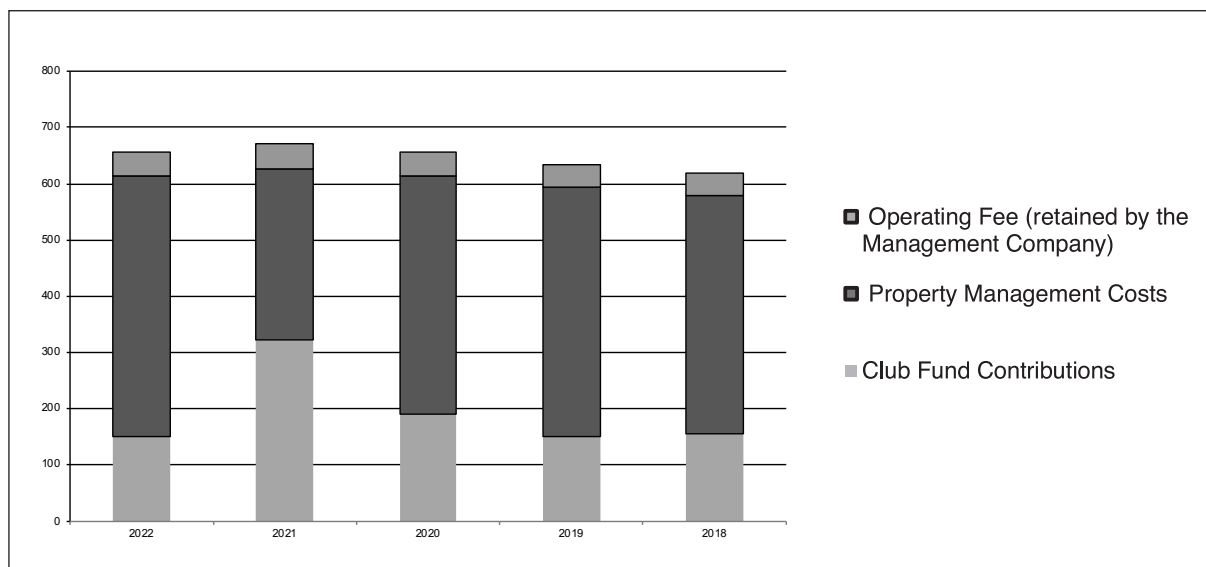
Insurance	3.95	3.28	4.14	3.44	3.22
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Property Management Costs	<u>463.40</u>	<u>303.84</u>	<u>422.20</u>	<u>443.78</u>	<u>423.56</u>
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Club Fund Contributions	150.93	323.28	190.84	149.87	155.38
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Operating Fee (retained by the Management Company)	43.16	42.93	42.23	41.32	40.11
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	<u>657.49</u>	<u>670.05</u>	<u>655.27</u>	<u>634.97</u>	<u>619.05</u>
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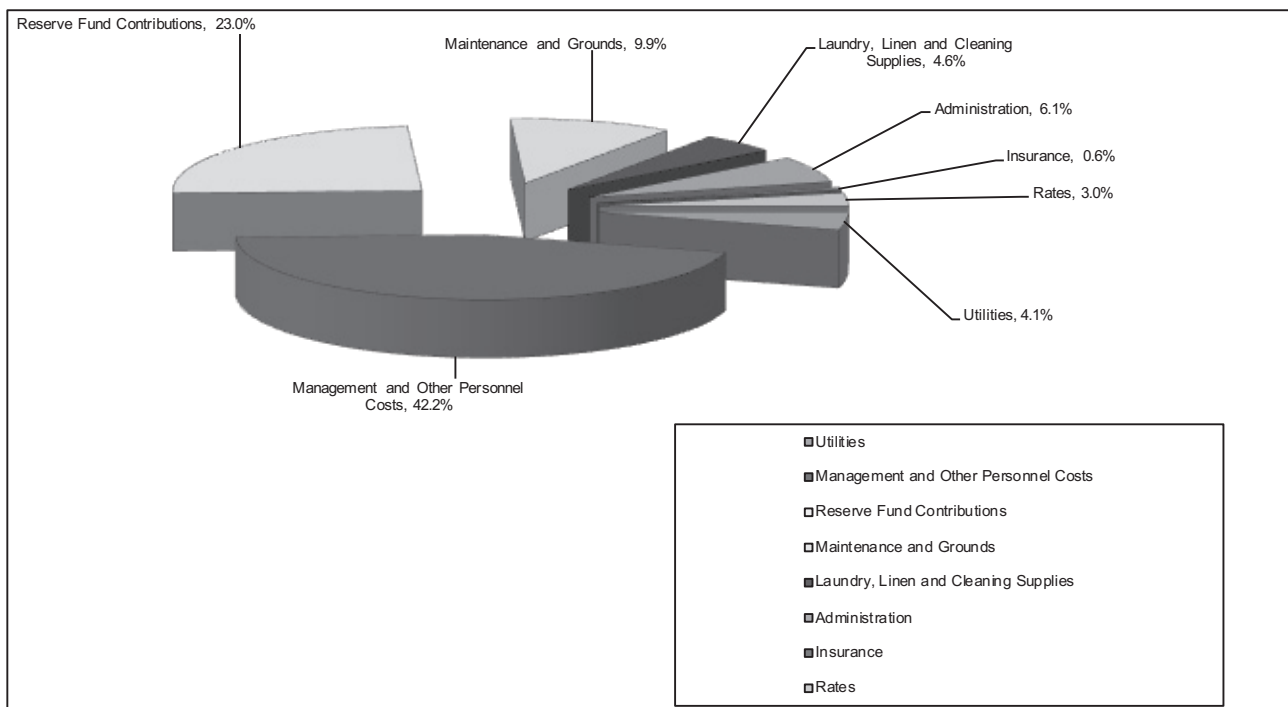


Appendix 2

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

For the year ended 30th April 2022

	%	£
Utilities	4.1%	132,153
Management and Other Personnel Costs	42.2%	1,363,385
Reserve Fund Contributions	23.0%	742,449
Maintenance and Grounds	9.9%	320,061
Laundry, Linen and Cleaning Supplies	4.6%	149,173
Administration	6.1%	197,466
Insurance	0.6%	19,407
Rates	3.0%	97,795
Management Company Fee	6.5%	212,292
	100.0%	3,234,181



The Langdale Owners' Club
Appendix 3
Surrender Scheme
For the year ended 30th April 2022

Reserve		£
Surrender fees		2,279
Sales		2,000
LESS sales commission		(480)
Surrender Scheme Reserve balance		<u>3,799</u>
Income & Expenditure		£
Income		
Rental income		2,975
Expenditure		
Management fees	0	
Rental commission	360	
Utilities	120	
	<u> </u>	<u>480</u>
Surplus in Year		<u>2,495</u>
50% to Langdale Leisure Ltd		(1,247)
Surplus Transferred to Club Funds		<u>1,247</u>

The Langdale Owners' Club
Appendix 4
For the year ended 30th April 2022

AUDIT • TAX • ADVISORY

Reply to: Jenny McCabe
Our ref: LAN641/JMc/SJW
Your ref:



2 August 2022

Langdale Owners Club
The Langdale Estate
Great Langdale
Nr Ambleside
LA22 9JD

Moore and Smalley LLP

Richard House
9 Winckley Square
Preston
PR1 3HP

T: 01772 821021

mooreandsmalley.co.uk

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 sincerely

A handwritten signature in black ink that reads 'Jenny McCabe'.

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

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