

The Elmers Court Country Club
Minutes of the Annual General Meeting
Held at Elmers Court Resort
Thursday 26th June 2025 at 11am

<u>Present:</u>	Mr P Wagstaff	Chairman & Member Representative
	Mrs S Wagstaff	Member Representative
	Mr C Redman	Member Representative
	Mr R Scott	Finance Director, MRL
	Mr M Watts	Resort General Manager
<u>In Attendance:</u>	Ms M Smith	Member Services Manager, MRL

The Chair, Mr P Wagstaff, welcomed everyone to the meeting and introduced the top and side tables.

1.Apologies

Apologies were received from Kenny MacLennan, Tom & Joan Jenkins, Edward & Corinne Vaughan, Robert & Lesley Lewis, Mike & Joan Attenborough-Cox, Martin Coldicott, Steve & Mary Grubb.

2.Approval of Minutes of Annual General Meeting – Tuesday 4th June 2024

These were published on the website on 30th July 2024. These were proposed and seconded by Raymond Coe, Mrs Sutton and Mr Monks.

3. Chairman's Report

Paul Wagstaff advised that he continued to do a monthly review of Club finances and had included Julie Holland who had been co-opted to the Committee. He added that 2024 had been another challenging year with 2025 looking to continue in a similar way.

He thanked, on behalf of all members, his fellow Committee representatives for their assistance during the year and added further thanks to Robert, Kenny, Mark and his team and Melissa in working together to manage the resort.

The 2023 accounts ended with a deficit of £68,228 on page 6 of the accounts and that included £44,530 transferred to the Sinking Fund. The 2024 accounts by comparison did end up with a surplus of £16,262 which has reduced the deficit carried forward to £51,966.

The Club still has 561 members compared to 604 last year. Of those 465 own 1 week, 81 own 2 weeks, 11 own 3 weeks and 4 own 4 weeks, therefore during 2025 the Club is servicing 676 weeks. As there are only 15 apartments remaining in the Club, this has become a challenge for Aviemore to manage during peak weeks.

At the 2024 AGM he announced that the electric unit charge would reduce from 40p to 30p with the standing charge of £3 per week. He added that he had hoped members had seen the benefit during their stay. Whether this can be maintained during 2025 will depend on the current review of the unit charge from October 2025, however the Committee will do their best to keep any changes sensible.

The sinking fund was funded with £37,077 from 2024 exit fees. To this £4,283 was added from interest received. Expenditure totalled £43,600. The balance in the sinking fund at the start of the year was

£305,750 and ended at £303,304. Additional expenditure planned for last year was delayed due to a change of subcontractor. Some of this work has been completed in January & February 2025, and the balance has been delayed until the same months in 2026 to reduce disruption to members.

In the 2024 December chairman's report, there was mention of setting up a WhatsApp group. This has been very useful and there are now 3 groups. There is a general group which the Committee use to get in touch with members quickly which proved helpful when the SGM was held at short notice. There is an apartment exchange group and buying and selling points group. Andrew Monks is administering it, but the Committee are slightly surprised that more people have not signed up to it. Those present can sign up with Andrew today if interested.

Three years ago, Simon Blagden's message from the Board was that Elmers Court was to be the best in the Region. This was followed up two years ago with development plans for members to view in the Glenville room and we were told work would start towards the end of 2023. In 2024 the AGM was delayed until June in case the Committee could report when development was going to start, and we were then subject to an SGM in May this year.

Your Committee assumed the SGM would enable Elmers Court Limited to free itself from MRL to the extent it could then start development on the resort. The Committee recently learned that MRL had found a buyer for the resort. A further SGM will be held following this meeting which seeks to change the composition of the Committee. He advised members that he had spoken with the Chairman of the prospective investors so would be able to report more on that at the SGM.

He then passed to Robert Scott to present the accounts.

4. Accounts and Sinking Fund Statement for the 12 months ended 31st December 2024

Mr Scott presented the Club accounts for the year ending December 2024. The accounts had been emailed direct to all members and updated on the Club Information Portal on 4 June 2025 for review prior to the meeting.

Under the terms of the management agreement, MRL are responsible for keeping proper accounting records which disclose accurately at any time the financial position of the Club.

It is MRL's responsibility to prepare a statement of accounts in accordance with the Club's accounting policies and present these accounts at the Club's Annual General Meeting. Azets independent audit opinion is that the accounts have been properly prepared, in all material respects, in accordance with these policies.

Club Income: Management fee income to the Club includes £24,953 of exit fee revenue following the latest exit opportunity which, again, the Committee agreed to offset budget pressures and therefore further management fee increases as opposed to lodging directly in the sinking fund. Unpaid fees remain at a minimal level despite last year's material management fee increase and he thanked the vast majority of members who continue to pay timeously.

Total income to the Club in the period was over £14,000 greater than budget given the exit fee treatment and an increase in revenue from other income streams.

Club Expenditure: With regard to Club expenditure, the breakdown of variances to budget can be clearly seen within the detail of the accounts but he highlighted the following.

Material budget gains were made in wages and other staff costs, almost £12,000 and credit to Mark and the housekeeping team for managing the overall cost base through productivity gains rather than the use

of more expensive external agency staff when recruiting and retaining staff continues to be a challenge as reported last year. The total of £488,558 represents a year-on-year increase of under 3%.

Although savings against budget were made in several cost categories, members will note budget excesses in firstly power costs which include the cost of metered water and LPG due entirely to an increase in the price of gas, in repairs and routine maintenance costs where additional expenditure was incurred on grounds and gardens, apartment inventory and emergency maintenance, a further rise in insurance premiums and also in legal and debt collection costs, the latter due to the cost of solicitors fees for follow up, court actions and judgements raised against default members for non-payment of management fees.

The Management Company contribution to the Club reflects the running costs of the 38 apartments taken out of the system to date following the change to points. A further apartment, this being Holbein 3, has been extracted following the latest exit window and MRL now have responsibility for the running costs of 39 apartments and the contribution to the Club has increased accordingly.

The actual contribution of £590,642 was over £18,000 less than budget given a reduction in applicable running costs during the period.

General expenses which include network charges, audit fees, staff training, development and welfare and other miscellaneous expenditure also exceeded budget due entirely to an increase in network charges and audit fees. Administration costs which reflect the central costs including the salary, wages and other costs of departments such as management, accounts and member services. The Committee is provided with full details of the allocation of administration costs to the Club at the budget meeting and thereafter advised of any changes to the central cost structure.

The sinking fund allocation of £37,077 was agreed at 7.5% of the basic management fee receivable in the year. The Committee considered this sufficient in the circumstances given the healthy sinking fund balance.

Under the terms of the Management Agreement all expenditure attracts factorial fee which is the management company's charge for the provision of services to the Club.

The Club ended the year with a surplus of £16,262 with the result that the cumulative deficit carried forward to 2025 was £51,966.

Sinking Fund: As at December 2023 the sinking fund available was £305,750. Contribution to the fund during the year was £41,154 including interest. The expenditure of £43,600 has been broken down within the accounts and includes for the most part refurbishment works and improvements to Solent View apartments.

As at December 2024, the sinking fund available was £303,304.

The final page of the accounts contains the balance sheet of the Club as at December 2024 showing net assets of £251,338.

The Club currently has 676 former fixed weeks of membership following last year's exit opportunity and your Committee's focus will be to ensure the standards of the Club apartments, and the holiday experience remain at the highest level for members in return for a value for money management fee.

Mr Scott finished by thanking the elected representatives, Paul, Sue, Chris and Julie for their continuing voluntary time and commitment to the Club in making sure members continue to enjoy returning to the resort. He then opened the floor to any questions on the accounts.

Mr Towers stated that between now and 2033 members that are part of the Macdonald Vacation Club would be given the opportunity to terminate from the Club and had these terminations been factored in and would the Club remain viable. Robert Scott advised that the Committee were well aware that these members had the opportunity to terminate but this would have no effect on the running of the Elmers Court Country Club and advised that as long as there were members remaining then there were obligations under the current Management Agreement to procure members' holiday requirements.

Mr Towers asked why repairs, and routine maintenance had gone over budget. Mark Watts confirmed that water boilers had to be replaced.

Mr Towers asked what licences were being paid for. Robert Scott confirmed this was for TV licence fees. Mr Towers asked about debt collection costs. Robert Scott advised that all unpaid debts were passed to an external collection agency and if still not collected were passed to solicitors for further action. All this activity came at a cost.

Sue Wagstaff confirmed that all bathrooms in SV9 & SV10 had been completed at a cost of £10,000 each so in total 6 bathrooms were completed. Solent View 6 and Solent View 7 would be completed in January 2026.

Mr Moore asked if all the smoke alarms in the apartments were now connected. Paul Wagstaff confirmed this to be the case.

The Chairman then passed to Mark Watts to update members on resort matters.

4. To Receive Management Reports

Mark Watts updated members with a presentation on works that had been carried out during 2024. (The presentation is included with these minutes). He then opened the floor to any questions.

One member advised that they read that Macdonald Hotels and Resorts were voted the worst hotel group for checking in and checking out times. Mark Watts advised that the survey was based on the lodges which, due to the size of the apartments, requires a 5pm arrival so the vote was unfair and being disputed.

A member asked how many gardeners were on site. Mark Watts advised there was one permanent gardener, but the Committee agreed to bring in extra help at certain times of the year.

Mark Watts confirmed that the Solent Kitchen would be open during peak times for dinners from 16th July to the end of September.

Mrs Sutton advised that when she visited in April, they ended up having to dine offsite due to the Solent being closed. She also advised that the rockery area was in a mess and looked dangerous in parts. Mark Watts agreed to investigate.

A member asked if there were any plans to upgrade the kitchens in the Club apartments as they were looking very tired. Sue Wagstaff confirmed that no plans had been discussed but Julie Holland can investigate this going forward with Kenny Maclennan.

Mr Towers asked if the damp issues in Wyatt had been fixed. Mark Watts confirmed that the outside wall had been fixed along with flooring replaced which seemed to have helped but they will continue to monitor the situation.

Mr Towers asked that with only 15 Club lodges so what was the future. Robert Scott advised that currently there was no critical point compared to 10 years ago when the Club was sitting with a significant level of debt on the Balance Sheet. He advised that the management fee that members pay remains good value for money and the debt situation is completely under control. He added that the percentage of exits was falling each year to around 3% currently but as long as there were members then, as stated earlier, there were obligations under the current Management Agreement to procure members holiday requirements.

Mr Austin mentioned the damp within the Wyatt block and said he had to use these apartments as he had no access to Holbein anymore and his health would not allow him to sleep in damp apartments. Mark Watts reconfirmed the position and advised the apartments would be monitored.

A member advised they stayed in Wyatt 9 a few weeks ago and had a wonderful time and no issue with damp.

5. Election of Committee

The Chairman advised that Sue Wagstaff was retiring this year after 15 years of service and he thanked her for her hard work in keeping the apartments in good condition on behalf of the members and staff. He added that one CV had been received from Julie Holland who was already a co-opted member and asked for a show of hands to agree that Julie be elected on to the Committee. All were in favour, so Julie Holland was elected on the committee for a 3-year term. He added that Chris Redman was up for election in 2026 with himself being up for election in 2027.

6. Update from MRL

Mark Watts advised that as of 23rd June 2025 Elmers court started trading as Elmers Court Limited. Paul Wagstaff advised that since the agenda had been distributed the situation had moved on and there was a potential buyer who would be using the plans that MRL originally submitted to invest in the resort. He confirmed that he would go over this in more detail at the SGM.

7. AGM related members questions

The Chairman opened the floor to all questions.

Mr Towers asked if there was any legally binding information between the founder and the club in relation to exit fees that could be shared with the members. Robert Scott confirmed that a notice of a wish to terminate was issued to members every 2 years and it was at the Founder Member's discretion as to the terms of exit and charges.

Mr Towers then asked if the exit fee could then go up or down. Robert Scott confirmed this to be the case.

Mr Towers suggested that there would be no Club by at least 2035 due to the membership reducing year on year.

Mrs Bowlas advised that it was the termination fee stopping her from leaving as she simply couldn't afford it.

Mr Towers asked who the trustees of the Club were. Robert Scott advised that it is Bank of Scotland.

Mr Towers added that he tried to join the WhatsApp group but had no reply. Mr Monks agreed to look into this. He also mentioned that the Club website was out of date. Paul Wagstaff confirmed that the individual who managed this had been unwell and confirmed that the Club Information Portal was run by MRL.

There being no further questions the Chairman closed the meeting at 12.02 and confirmed that the SGM would commence after a 15-minute comfort break. There were 57 attendees in total.