

KILCONQUHAR CASTLE CLUB
ANNUAL GENERAL MEETING
Friday 6th December 2024 at 1.30pm

A G E N D A

1. Approval of Minutes of Annual General Meeting held on 1st December 2023.
2. Financial Statements for the 12 months ending 30th June 2024.
3. Election of Committee.
4. To consider and if thought fit pass the following Resolution which is proposed by the Founder Member and supported by the elected members of the Committee of the Club: - "It is resolved the Committee of the Club be authorised as they see fit to reduce the size of the Club by removing units to safeguard the future of the Club."

Formal Notice of this meeting was given on 7th May 2024.

6th November 2024

Dear Member,

Please see attached annual accounts for Kilconquhar Castle Club, together with the minutes of the last Annual General Meeting.

You will recall from my letter in May that the restructuring programme was at an impasse as we had been unable to reach agreement with a minority of owners of three units. Consequently, we were not able to remove any further units from the Club. I am pleased to advise that agreement has now been reached with all owners of one of these units and contact has been made with the Trustees to progress its removal.

The Committee remains keen to continue the programme, which is vital to secure the Club's future. As part of this you will note that included in the agenda is a Resolution proposed by the Founder Member and supported by the elected members of the Kilconquhar Castle Club Committee, seeking members' agreement to remove further units from the Club. Similar Resolutions were proposed at previous meetings which were supported unanimously, enabling Castle Suite 2, Rose Cottage and now a third unit to be removed from the Club.

To remind you, under the terms of the Kilconquhar Castle Club Constitution, a Resolution can be passed at a general meeting by a majority of hands or votes cast. As many members are unable to attend the AGM to vote for or against the Resolution, the Committee has again included with the notice a Form of Proxy to give all members the opportunity to vote.

The Constitution is clear that to ensure a vote can be cast, either you or your appointed proxy must attend the meeting. To assist, we have included on the Form of Proxy the Chairman of the Club and the elected members of the Owners Committee as two possible options. You are also able to nominate anybody you wish to cast your vote. Unless specified otherwise on the form, your appointed proxy will be able to cast your vote as they see fit or may abstain from voting. If you are unable to attend the meeting but wish to vote you should complete and return the Form of Proxy to Kilconquhar Castle.

In addition, and as I have reported previously, even with a positive vote to remove units from the Club, the transaction will not be able to conclude without the agreement of the Club Trustees.

The full Kilconquhar Castle Club Committee recommend the members or their appointed proxy to vote in favour of the Resolution at the Annual General Meeting on 6th December 2024.

This year as the Club Constitution, requires Dr Kathleen Robertson, having served her full three-year term as Committee Member, will step down from the Committee. In the absence of any other nominations, Professor Geoffrey Robinson will be elected at the AGM as a full member of the Committee, after serving a term as an alternate member. In the absence of any other nominations Mr David Thomson will take up a position as alternate member.

Finally, I would like to take this opportunity to express my appreciation to the Committee for their unpaid work over the last year.

A handwritten signature in dark ink, appearing to read 'James Vance', with a stylized flourish at the end.

James Vance
Chairman

KILCONQUHAR CASTLE CLUB

Minutes of the Forty Fourth Annual General Meeting Held at Kilconquhar Castle Club at 1.30pm on Friday 1st December 2023

17 Members in attendance

The Chairman, Mr. Vance, opened the meeting and thanked everyone for attending.

Apologies had been received prior to the meeting from Mr & Mrs Thomson, Mr Hodgkinson, Ms Mullen, Mrs Robinson, Mr & Mrs Cameron, and Mrs Lennie.

Mr Vance introduced the top table as Mr Blaney, Dr Robertson, Mr Neck, Professor Robinson, Mrs Hunter and Mr Stewart, the Club's appointed Auditor.

1. Approval of Minutes of the 2022 Annual General Meeting

The minutes of the forty-third annual general meeting held on Friday 2nd December 2022 were proposed by Mr. Currie, seconded by Mr. Rodger, and accepted unanimously by the members present.

It was agreed any matters arising would be discussed later in the meeting.

2. Accounts for the 12 months ended 30th June 2023

Mr. Vance invited Mr. Stewart to present the financial statements of the Club for the year to 30th June 2023.

Mr. Stewart advised that post pandemic the Club is now dealing with the rise in energy prices, National Living Wage increases, and the highest level of inflation for many years.

A deficit during the year to June 2023 of £1,627 was reported, compared with a deficit of £46,805 in 2022.

The management fee income from timeshare owners, including the Founder Member relating to the unsold weeks, was £1,439,193 compared with £1,322,989 in 2022.

Heat-and-light income increased to £200,093 from £152,050 in 2022, reflecting a combination of occupancy and the increased charges for a unit of electricity.

Wages and other staff costs were £785,545 in the year to June 2023, compared with £728,664 in 2022. The main factors for the increase were reported as an increase of 9.7% to the National Minimum Wage, which reflected the inflation levels being experienced as well as expectations based on the cost-of-living issues. Mr Stewart noted that an increase to the National Minimum Wage impacts all pay scales across the business.

Mr Stewart also noted that wage costs will rise again in the current year due to a further increase in the National Minimum Wage of 9.8% to £11.44 per hour from April 2024. This rate has been extended to employees over the age of 21 years and not 23 as was previously the case.

Mr. Stewart advised that a 100% review of expenditure is performed and confirmed the Club is only charged with the relevant staff costs and not allocated any non-Club items.

The cost of Heat, Light & Water of £269,013 is comparable with the prior year of £269,047 due mainly to a two-year agreement from December 2021 being in place for the supply of electricity.

As reported last year, insurance costs increased significantly to £27,640 compared with the year to June 2022 of £16,966

For the year to June 2023 the Club continued to receive considerable benefit due to Small Business Rates Relief. Mr Stewart reported however that the thresholds have been reduced by Fife Council effective from April 2023, which with the 2023 Rates Revaluations will result in increases during the current and future years. It was confirmed that appeals are in place.

The recharge for Depreciation was £18,224 which is the wear and tear allowance for the year. In line with Financial Reporting Standards, a full impairment review of fixed assets has taken place. It was confirmed that the carrying value remains a true reflection of the current net realisable value and the allocations to the Club were correctly stated.

The total expenditure before Management Charges was £1,444,608.

Unpaid maintenance fees written off in the year were £69,978. There were no changes to the treatment since last year: the fluctuations between the write off in the profit & loss each year contain a combination of both current debt for the year and previous years' debts that have been recovered.

A carry forward deficit £47,934 was reported, compared with a deficit of £46,307 in 2022.

Sinking Fund expenditure of £62,324 had been reviewed in full and confirmed that all items related to the Club.

To conclude, Mr Stewart confirmed that the accounts had been properly prepared from the records of the Company and gave a true reflection of the Club's affairs on 30th June 2023.

Mr. Stewart thanked Mr. Vance, Mr. Neck and the accounts staff for the assistance given to his firm during this year's work and presented the accounts for approval to the meeting.

Mr Vance thanked Mr Stewart and asked if there were any questions regarding the accounts. In the absence of any questions, the accounts were proposed by Professor Robinson and seconded by Mr. Hunter.

3. Election of Committee

Mr. Vance advised that Mr. Thomson, having served his three-year term as Committee Member, will step down as the Club Constitution requires.

In the absence of any other nominees, Mr. Hodgkinson will step up to the position of full member after previously serving as an alternate. In the absence of any other nominees, Mrs Hunter will take up a position as alternate member.

Before asking for questions from the Owners present, Mr Vance provided a brief overview of the refurbishment carried out in the last eighteen months.

The work carried out includes the replacement of patio and back doors, windows, heaters, material headboards, LED bathroom mirrors, towel rails, USB sockets, televisions, extracts fans, bathroom fittings, jacuzzi baths, kitchen, and bathroom upgrades, click flooring in some kitchens and lounges, in addition to the ongoing painting and decorating programme. Externally, the driveway lights have been improved and the villa roof cleans continue as planned.

Mr Vance also provided an update of the timeshare industry, which remains challenging throughout most of the world and requires businesses to remodel to suit the owners wishing to remain members.

The Kilconquhar Castle Club Committee continues to be proactive, wishes to accelerate the Club restructuring exercise commenced several years ago and also to consider other options. To date two units have been removed and the Management Company remains in communication with the Owners of two further units with a view to removing them from the Club.

Mr Vance reminded the attendees that to remove units from the Club, agreement must be reached with every Holiday Certificate owner to relocate to another unit, or in some instances exit the Club. This is not always possible: on two occasions the offer to Owners had to be withdrawn as a small number refused to move. Mr Vance stressed the importance of flexibility by Owners, as refusing to move slows down the restructuring exercise and potentially jeopardises the Club's entire existence. The need for flexibility from Owners was echoed by most, if not all the Members attending the Meeting.

Mr Marrison enquired how many units were required to be removed to ensure the Club's long-term future. Mr Vance responded that at present it was considered six or seven will be sufficient, although this may increase, depending on market conditions.

Mr Rodger asked about the five-year plan option. Mr Vance explained that this product has been available to new customers, although some existing Members have taken advantage. The plan is for a fixed term, normally five years, whereby owners pay a fee that includes the management fees for the full term. At the end of the term the unit reverts to Kilconquhar Castle ownership, although often a further term is agreed. During the term Owners have the same benefits including the ability to rent or exchange.

A discussion took place after questions from Mr Fleming and Mr Rohrmann regarding debtor weeks. Mr Vance explained that taking debtor units back to the Club does not solve the issues as the management fees remain the responsibility of the Club.

The collection of management-fee debt remains a priority, but removing debtors from the Club via the restructuring exercise also provides a solution.

Mrs Rodger asked if non-club members can use the leisure facilities at the estate. Mr Vance explained it was decided by the Members many years ago that the facilities should remain exclusive to those owning or renting timeshares. Although an exact number was not available, Mr Vance advised that many local residents own a timeshare and pay the management fee, thereby are permitted to use the facilities.

There being no other questions, Mr. Vance closed the meeting at 2:15pm and thanked everybody for attending.

KILCONQUHAR CASTLE CLUB

**Financial Statements
For the year ended 30 June 2024**

Stewart & Co, Chartered Accountants

KILCONQUHAR CASTLE CLUB

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KILCONQUHAR CASTLE CLUB

Report of the Independent Auditors to the Management Company of Kilconquhar Castle Club

We have audited the Financial Statements of Kilconquhar Castle Club (“The Club”) for the year ended 30 June 2024 as set out on pages 3 to 7. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Management Company in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Management Company those matters we are required to state to them in our 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 Management Company for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Management Company and Auditors

Kilconquhar Castle Estate Limited (“the Management Company”) is responsible, under the management agreement, for the management and administration of the Club’s affairs and is obliged to keep proper books of account of the Club’s income and expenditure for the year. The Management Company is also responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those Standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared from the accounting records of the Management Company and the Companies Act 2006. We also report to you if, in our opinion, the Management Company has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

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 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 the Management Company; 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 30th June 2024 and of its surplus for the year then ended

Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practices

Have been prepared in accordance with the requirements of The Companies Act 2006.

Opinion on other matter prescribed by The Companies Act 2006

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

KILCONQUHAR CASTLE CLUB

Report of the Independent Auditors to the Management Company of Kilconquhar Castle Club (cont)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 Remuneration specified by Law are not made; or

We have not received all of the information and explanations we require for our auditor

David Armour Stewart
For on behalf of Stewart & Co
Chartered Accountants and
Registered Auditors
Castlecroft Business Centre
Tom Johnston Road
Broughty Ferry
Dundee
DD4 8XD

KILCONQUHAR CASTLE CLUB

Statement of Income & Expenditure For the year ended 30 June 2024

	Note	2024 £	2023 £
INCOME			
Management fees from timeshare owners	3	1,372,265	1,251,334
Management fees relating to unsold weeks	3	206,140	187,859
Heat and light		188,428	200,093
Other		18,547	20,078
		<u>1,785,380</u>	<u>1,659,364</u>
EXPENDITURE			
Trustee expenses		1,500	1,500
AGM and committee expenses		250	900
Wages and other staff costs		879,055	785,545
Motor and travel		20,214	17,398
Sinking fund allocation	4	65,000	63,000
Repairs and routine maintenance		109,149	125,343
Heat, light and water		288,604	269,013
Telephone		1,694	1,377
Postage, printing and stationery		1,991	2,554
Insurance		30,023	27,640
Leasing and equipment		32,574	38,915
Rates		43,882	6,747
Refuse collection		15,583	17,063
Cleaning and laundry		34,745	37,698
Net bank interest and charges payable/ (receivable)		12,331	20,054
Licenses		1,654	1,609
Recharge for depreciation	6	17,903	18,244
Professional fees including debt collection costs		7,847	9,851
General		114	157
		<u>1,564,113</u>	<u>1,444,608</u>
Management charges	5	160,460	146,405
Unpaid Maintenance Fees written off		99,823	69,978
TOTAL EXPENDITURE		<u>1,824,396</u>	<u>1,660,991</u>
(Shortfall) of Income over Expenditure		(39,016)	(1,627)
(Shortfall) / Excess in Income over Expenditure brought forward		(47,934)	(46,307)
(Shortfall) in Income over Expenditure carried forward		<u>(86,950)</u>	<u>(47,934)</u>

KILCONQUHAR CASTLE CLUB
Balance Sheet
As at 30 June 2024

	Note	2024 £	2023 £
ASSETS:			
Club sinking fund bank account		(86,054)	(47,000)
Debtors:			
<u>Unpaid Management Fees</u>			
Management Fees - Pre 2000/2001	7,560		7,585
Management Fees – 2000 to 2001	1,163		1,209
Management Fees – 2001/2002	1,583		1,583
Management Fees – 2002/2003	2,028		2,028
Management Fees – 2003/2004	2,783		2,921
Management Fees – 2004/2005	3,669		3,669
Management Fees – 2005/2006	4,510		4,510
Management Fees – 2006/2007	5,249		5,272
Management Fees – 2007/2008	4,850		4,850
Management Fees – 2008/2009	6,459		6,540
Management Fees – 2009/2010	6,887		6,938
Management Fees – 2010/2011	10,463		10,611
Management Fees – 2011/2012	14,081		14,526
Management Fees – 2012/2013	17,482		17,926
Management Fees – 2013/2014	21,419		21,580
Management Fees – 2014/2015	23,491		23,689
Management Fees – 2015/2016	26,443		26,508
Management Fees – 2016/2017	29,596		29,815
Management Fees – 2017/2018	35,375		36,237
Management Fees – 2018/2019	41,441		43,579
Management Fees – 2019/2020	50,535		51,897
Management Fees – 2020/2021	55,074		56,629
Management Fees – 2021/2022	62,700		63,745
Management Fees – 2022/2023	69,646		108,290
Management Fees – 2023/2024	147,473		-
		651,960	552,137
Less: Bad Debts provision written off prior years		651,960	552,137
Balance 30 th June 2024		0	0
		(86,054)	(47,000)
SINKING FUND RESERVES:			
		(86,054)	(47,000)

KILCONQUHAR CASTLE CLUB

Notes to the Financial Statements For the year ended 30 June 2024

1. Principal Object of the Club

Kilconquhar Castle Club is an unincorporated association whose object is to secure for members joint rights of ownership of the lodges at Kilconquhar, and exclusive rights of occupation for the periods specified in the holiday certificates.

2. Accounting Convention

The financial statements have been prepared under the historical cost convention.

3. Management Fees

These represent the weekly management fees payable by owners and by Kilconquhar Castle Estate Limited.

4. Budgeted Sinking Fund Allocation

The allocation to the Sinking Fund was £65,000 for the year to 30th June 2024 (£63,000 30th June 2023).

5. Management Charge

The Management Charge paid in the year is per the terms of the Management Agreement.

6. Depreciation

Depreciation is re-charged from the Management Company for the proportion relevant for Kilconquhar Castle Club, in order to write off each asset over its estimated useful life.

KILCONQUHAR CASTLE CLUB

Notes to the Financial Statements For the year ended 30 June 2024

7. Unpaid Maintenance Fees

The level of Maintenance Fee Debtors at 30th June 2024 was £Nil (£Nil – 30th June 2023). Credit has been given in the Statement of Income & Expenditure for the full amount of Maintenance Fees raised during the year. An amount of £99,823 (2023- £69,978) has been written off as a Bad Debt in the year to 30th June 2024. These are in respect of owners who have failed to pay Maintenance Fees. The cumulative amount of unpaid Maintenance Fees written-off to date is £651,960. Any balances recovered in future years will be credited back to the Club.

8. Capital Commitments

As at the 30th June 2024 there were no Capital Commitments contracted for.

9. Balance Sheet Movement

	2024 £	2023 £
The Sinking Fund Reserve at 30th June 2023 includes the following:		
Opening Balance	(47,000)	(46,049)
(Deficit) / Surplus for year	(39,016)	(1,627)
Discount given to Owners	-	-
Sinking Fund allocation	65,000	63,000
Sinking Fund Expenditure	(65,038)	(62,324)
	<hr/>	<hr/>
	(86,054)	(47,000)
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Further Analysis of Sinking Fund Expenditure

	2024 £	2023 £
Decoration	49,895	21,732
Furnishings and fittings	4,054	-
Electrical	-	7,784
Carpets and flooring	8,727	12,647
External works including roads	2,362	20,161
Bed linen and towels	-	-
	<hr/>	<hr/>
Closing balance at 30 th June 2024	65,038	62,324
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KILCONQUHAR CASTLE CLUB

Notes to the Financial Statements For the year ended 30 June 2024

10.	Net management costs	2024	2023
		£	£
	Total expenditure	1,824,396	1,660,991
	Less:		
	Heat & light	188,428	200,093
	Other	18,547	20,078
		1,617,421	1,440,820
	Less: Opening shortfall/ excess of income over expenditure	47,934	46,307
	Net management costs	1,665,355	1,487,127
11.	Statement of Funding of Net Management Costs	2024	2023
		£	£
	Management fees from timeshare owners	1,372,265	1,251,334
	Management fees relating to unsold weeks	206,140	187,859
	Total management fees income	1,578,405	1,439,193
	Shortfall in management fees	86,950	47,934
	Net management costs	1,665,355	1,487,127

Apartment Owned Week Number.....
 Apartment Owned Week Number.....
 Apartment Owned Week Number.....
 Apartment Owned Week Number..... Account Number.....

KILCONQUHAR CASTLE CLUB FORM OF PROXY FOR ANNUAL GENERAL MEETING ON 6th December 2024

*Full Name(s) and address(es) to be inserted in Block Capitals.

I//We *
 of
 being (a) Member(s) of Kilconquhar Castle Club HEREBY APPOINT
 the Chairman of the Meeting^
 the Elected Members of Kilconquhar Castle Club Committee^
 +

 as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of Kilconquhar Castle Club to be held on 6th December 2024 and at any adjournment thereof.

^Delete either 'the Chairman of the Meeting' or 'The Elected Members of Kilconquhar Castle Club' as required

+ **NOTE:** If any other proxy is preferred, strike out 'the Chairman of the Meeting' and 'the Elected Members of Kilconquhar Castle Club' and insert the name and address of the person you wish to appoint as your proxy.

Please indicate in the appropriate space below how your proxy should vote for you in the Resolution. If no direction as to voting is given, your proxy will vote as he/she thinks fit, or he/she may abstain from voting.

	For	Against
Resolution		

- NOTES:-**
- To be valid this Form of Proxy must be returned to Kilconquhar Castle Estate Limited, Kilconquhar Castle Estate, Kilconquhar, Fife, KY9 1EZ no later than 72 hours before the commencement of the meeting.
 - In the case of joint holders, the signature of any one joint holder is sufficient and the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the Holiday Certificate.
 - The name(s) of your unit(s) and week(s) must be inserted in the appropriate spaces at the top of this form. Please also insert your account number if known.

Signature : Date :