

FNTC

TIMESHARE

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RESORT

COMPANY

CLIENT NAME:

Thurnham Hall  
Owners Club

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MINUTES & NOTICES

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**MINUTES FROM THE EIGHTH ANNUAL GENERAL MEETING  
OF THURNHAM HALL  
HELD ON SUNDAY 30TH NOVEMBER 2003 AT 10:30AM  
IN THE CARLETON, MORECAMBE**

In attendance: Mr Fred Fogg	Managing Director & Founder Member	<b>(FF)</b>
JW White	Group Accountant	<b>(JW)</b>
Mr Kevin Haygarth	Group Operations Manager	<b>(KH)</b>
Mr Philip Broomhead	FNTC (Trustees)	<b>(PH)</b>
Mr John Hughes	Solicitor, Needham & James	<b>(JH)</b>
Mr John Jackson	Mgt Committee Representative	<b>(JJ)</b>
Pamela Francis	Mgt Committee Representative	<b>(PF)</b>
Mr Kevan Dean	Mgt Committee Representative	<b>(KD)</b>

Mr John Jackson welcomed everyone who attended and introduced the people seated at the top table.

**1. Election of Chairman**

**JJ** asked for nominations to Chair the meeting. **PB** was duly elected. **PB** introduced himself as being Director of legal services for First National Trustee Company and who has been a Trustee at Thurnham Hall since its inception.

**2. Apologies for Absence**

Apologies were received from:

David & Edna Bradley	Mr & Mrs A J Evans
Mr & Mrs P Reed-Griffiths	Mr & Mrs J Williams
Mr & Mrs Costigan	Mr A W Maunton
Eric & Pauline Miller	

**3. Correspondence**

**JJ** to deal with any correspondence in his report.

**4. Approval of the Minutes of the last AGM**

The Minutes of last year's AGM were accepted as a true and correct record of events.

**5. Matters arising from those Minutes**

Mr George Yoxhall said he had requested a full set of accounts, which had not been forthcoming all year.

**6. Presentation of Accounts and Financial Report**

**JW** introduced herself as the Group Accountant for Thurnham Leisure Group.

**JW** said that she had joined the Group in April 2002 from a hotel background and her remit had been to achieve accurate and timely management reporting for each company and each resort within the Group.

Due to the fact that most of the systems had been implemented, monthly management accounts were available with accurate 2003 costs. Due to the size of the Group, they had never been in a position to have a Group audit completed before the AGM. However, it had recently been agreed with the Auditors that this would be achievable for 2004.

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**JW** said that having reviewed the 2002 accounts given in advance of last year's AGM, it was clear that the Finance Director had tried to correctly allocate costs. However, errors were made which distorted the 2003 forecast and necessitated a £600,000 subsidy from the Developer.

It is paramount to the Management Company's interest that the Club can work standing alone and this required accurate and timely data which would be made available to the Management Committee. **JW** felt that the 2004 forecast was an accurate view of what could be expected over the next twelve months.

**JW** pointed out that although the format of the accounts had been kept uniformed to previous years, the wages figure had been split down. This now showed the true net outcome of the profit centres as opposed to the gross profits. She also said, that as explained in Mr Fogg's letter accompanying the management fee invoices, a proportion of the wages which should have been borne by the Club was allocated to Thurnham Leisure Group. Therefore, last years wages bill was in fact, £801,000 against this year's figure of £759,000. This shows a saving of approximately £42,000 on wages. This is distorted, as there are tasks, which are now undertaken in-house. These inflate the wages bill whilst showing the savings in individual areas. In anticipation of questions, regarding why our external auditors did not highlight this error, the reasons are: firstly, accounts produced for AGMs to date have been in draft form and secondly, auditors are not required to state that the accounts produced are 100% accurate, only that, they present a true and fair view of the Group's activities.

**JW** moved on to the 2004 forecasts, where it was anticipated, reducing bar and restaurant cost of sales. Gross profit on food this year was 48% and 56% on beverages; she anticipated an overall gross profit of 58% next year.

The only increase, over and above inflation, which she could foresee for next year, was an increase in insurance cover. This was due to the business continuation plan, which had been built into the contract. Following a review of the level of cover, it was advised that TLG would be exposed in the event of business interruption. 3 months of the financial year ended June 2003 reflected the increased insurance premium, and the forecast for 2004 shows the full 12 months.

#### **7. Report From The Management Committee**

"The last 12 months have, as usual, been busy and although sometimes difficult and sometimes frustrating, I believe, we have been successful in maintaining the high standards which we have all come to expect at Thurnham Hall. The feedback from owners, guests and exchangees continues, on the whole, to be very positive and the feedback we receive from our exchange partners shows that we continue to receive high points scores on their evaluations.

The fact that we do receive such positive feedback is due not only to the quality of the resort but also to the quality of the staff. We are very fortunate at Thurnham Hall, to have the excellent staff, which we do have and I would like to put on record, the committees' appreciation for all the hard work which they do and the professional manner in which they do it.

I would also like to thank, in particular, our resort manager, Kevin Haygarth. Kevin has worked extremely hard, for our benefit, over the last 12 months, often putting in very long hours. I know that Kevin's work at Thurnham isn't just another job to him, he has a genuine affinity with the hall and a genuine sense of responsibility towards the members. I have no wish to embarrass Kevin but I feel it is only right that credit is given where it is due and that he is aware of how much we appreciate all that he does for us. So, thank you Kevin and perhaps I could ask you to pass on our thanks to all your staff.

Now, if I can move on, I did say a few minutes ago that we had had another busy year and it becomes frustrating, when so much of the committees' time has to be spent dealing with non-payment and late payment of maintenance fees. I know we raise this every year and it is probably not the people, who attend this meeting, who are at fault. But as the minutes of this meeting go out to all members and in the hope that everyone will read them, I, once again, want to stress the importance of paying maintenance fees on time. Not only are the monies necessary to run the resort, non-payment can result in your week being repossessed and sold to recover the outstanding fees.

I think that this year, rather than skim over the more day-to-day issues which the committee has dealt with and discussed over the year, I will stay on the subject of maintenance fees and finances. I feel sure that in view of the large increase in the fees for the coming year that most, if not all of you, will be more concerned about this issue than anything else.

Before I go into any detail, I want to point out that we as a committee, were only made aware of the situation, which has resulted in the big jump in maintenance fees, a couple of weeks before the letter went out to all members. It has also not been helpful the fact that over recent months, despite several requests, profit and loss accounts have not been made available for our meetings. However, had we had those accounts it would not have changed the situation, which we now find ourselves in but it may have enabled us to recognise sooner, that there was some discrepancy. However, I am confident that problem has now been resolved and that in future, all information, which we require at committee level, will be available.

Now, our present situation: As you will be aware, our maintenance fees have always been subsidised by the developer, Fred Fogg. It is also the case that we, as a club will, one day, have to stand alone without that subsidy and that is what we have been working towards. Over recent years, a forecast of the expenditure required to run the Thurnham Hall has been drawn up each year, showing the actual expenditure for the year just ended and the forecasted expenditure for the coming year. It is from these figures that a level of maintenance fee is set and also the level of subsidy from the developer. In setting the level of the fees, we have always done so on the assumption that the final 10 units at the resort have been built, therefore, the costs are apportioned out between 60 units and not the 50 which we have at present. This continues to be the case with the maintenance fees for those, at present, non-existent units being paid by the developer.

Unfortunately, an error has been made in the compilation of those forecasted costs, which in effect, means that the actual expenditure for the year just ended was considerably greater than that forecasted. Now, whilst Julia and Kevin are better equipped than I to explain the errors which have been made, what I can do, is assure you all that the only person, who has incurred any additional costs as a result of this error is Fred, as the developer. He has, albeit at the time unknowingly, in effect, subsidised our costs to a greater amount than he expected.

The knock on effect for us the members is that in order to get back on track towards standing alone without subsidy, we have to incur the large increase in our maintenance fees. This increase will still not put us in a stand-alone position, we will still be reliant on a subsidy, albeit a reduced one, from the developer but we will be in a more realistic position from which we can progress towards being financially independent.

I want to briefly mention the sinking fund, as you know, due to the big rise in the maintenance fees for the coming year, the committee have agreed to suspend contributions into the sinking fund, at least for this year. There is an expenditure of approximately £7,500 for a new stair carpet and refurbishment work on the Crabtree suite, which has already been agreed. But any further major

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refurbishment costs or capital replacement costs which cannot be met from existing funds and maintenance fees, will be met by the developer, until such time, as we replenish the fund.

Now, I know you will have many more questions regarding the issue of maintenance fee levels etc. and that many of you will feel the need to analyse what has happened in more detail but I will say this:

- An error has been made. There is no suggestion that it was in any way fraudulent. I do not see that there is anything to be gained by this club in looking for a scapegoat. I do not see any point in making excuses for what has happened, a mistake has been made and we need to move on.
- We do need to ensure that similar mistakes are not made in the future but it is to the future that we now need to be looking.
- We have assurances that information we require will be available at our meetings in order that we now need to be looking.
- We have assurances that information we require will be available at our meetings in order that we can make informed decisions and monitor income and expenditure.
- We need to consider all options for further savings on expenditure. Likewise, we need to consider all options for maximising income.

However, whilst doing so, we need to consider the implications of these options, in particular, any adverse impact on the club and/or members and guests.

Anything new, which we do introduce, in an effort to increase income, we need to monitor closely for what impact there is on members and what impact there is on finance.

We need to listen to feedback from you the members and note comments from guests and hopefully, by working together, we can minimise any future increase in fees.”

#### **8. Report From The Resort Manager**

During 2003 Thurnham Hall had enjoyed approximately 40,000 overnight guests. **KH** had worked closely with **JW** to establish the true costs associated with the running of the resort and was now happy that all the expenditure was coded to the correct areas, which in turn, had allowed them to accurately formulate the forecast for the following year. Staffing levels had received close scrutiny and he now felt that the numbers working in each area was correct in order to achieve and maintain the standards that the Members expected to find at Thurnham Hall.

**KH** stated in his report at last year's AGM that support for the recently opened on-site convenience store had not been as great as he had expected and that he intended to re-assess it in March 2003. This he did and took the decision to close it down. From there, some of the offices on the site were moved around in order to accommodate a beauty treatment room in the main house which is now available on a regular basis, with a self-employed therapist. Plans were also in the pipeline to employ a nail technician in early 2004.

April 2003 saw 8 employees successfully complete a full first-aid course.

2003 also saw the re-roofing of the Dalton wing, expertly carried out by the in-house maintenance team in consultation with English Heritage.

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It had seemed to be a year of problems with the leisure centre. One instance saw the pool cold for almost two weeks, as unbelievably, there is only one technician in the Lancashire area, who could mend the heating system. The Spa had been re-sealed no less than 3 times and the Sauna door had been pulled off its hinges, necessitating a replacement, with the supplier based in Sweden!!! **KH** asked for understanding that when there were problems within the leisure centre, there were no quick-fix methods, which could be adopted in such a technical area. **KH** reiterated that any problems or break down in the centre always received the highest priority.

Positive feed-back had been received about the newly re-fitted bar area, but **KH** pointed out that it would be appreciated if more use was made of the bar and welcomed any suggestions to identify ways of generating additional revenue. Bar snacks were now being served in the more informal setting of the Chapel Bar, which was proving to be a very popular alternative to the more formal restaurants and obviously, by the sheer nature of the location, he hoped to be selling more drinks! In response to some comments about the variety of food available he pointed out that they currently have 12 menus running at different times of the week.

There are a number of exclusive packages now available through Reservations such as: All-inclusive Golf breaks, Pamper breaks or Champagne Chocolates & Roses. These are designed to guarantee income for the resort, whilst offering owners and members additional services. **KH** pointed out, there could still do with more support at lunchtime, in the restaurant areas and would urge anybody wishing to entertain clients or guests with time as a constraint, to contact him personally, as he is about to begin a 'fax-a-menu service', to suit the purpose of speed.

The Hall had recently offered a number of 1-day cookery courses for guests. Carried out by Chris Dickson. They incorporated full cookery demonstrations, audience participation dining and wine tasting. Excellent feedback had been received on all the demonstrations completed so far.

There were a few vacancies remaining, for New Year's Eve. Christmas Day was fully booked, as were many of the other festive dates. The Carol Service was set for December 14 and **KH** took the opportunity to personally thank Joan Pate and her family for their valuable help in organising this event, year after year.

Earlier in the year, **KH** had held an Open Forum Meeting, with all the resort staff in order that they could put their ideas and suggestions forward. It was very evident from that meeting that the staff is very proud to be a part of Thurnham Hall and in its success. There was a tremendous commitment to the guests and owners, as well as lots of sincere friendship. **KH** stated that the staff had done a fantastic job again this year and wished to thank them all.

#### **Questions from the Floor**

**Mr Stanley pointed out that nowhere on the incoming side of the accounts were any monies from short-term lets or the sales teams. Are the members subsidising the sales operation or do they actually contribute?**

**FF** stated that the members definitely did not subsidise the sales operation. During the year, he'd had a meeting with **KH** because he felt that **KH** was over-charging the sales operation by approximately 20%. **FF** felt that when the owner base was paying the full cost of the resort, they should have a say as to whether or not they wanted the sales force on the resort and using the facilities. **FF** had always maintained from day 1 that his work, as a Developer would end, when the owners were paying the full cost. **KH** could show them the charges made to the sales team over the year and which is recharged to TVC.

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**Mr. Altry said that the last time he had stayed at the Hall, he had been charged an accommodation fee of £12 per week, which overall per week, should be showing £36,000 but he can't see that in the accounts.**

**KH** said he was referring to the utility charge of £1 per person per night, which is featured in Reception miscellaneous income. It isn't identified individually because it would be very time consuming to calculate the exact number of sleepers, who have stayed and to break it down from guests, fixed week owners and international sleepers.

**Mr Watson** said, he was delighted to hear **JW** giving reassurance about the accounts. He had been rather worried about the accounts for several years but now felt much happier. One question he had, was if the audited accounts were not available today, who actually approved them? Did the owners approve them or the Management Committee? The other thing he would like to see was a 5-year forecast, for when the resort would be self sufficient, or even better, a 10-year forecast. He felt it would also be beneficial for the owners to see figures on how the resort was actually used, the number of exchanges booked for instance. He felt that it was very important for the Management Committee to be allowed to run the resort and that owners should not be getting into every little nitty-gritty. He also felt that it was very important to know what was going on and asked if the Committee could be slightly more accountable than they are currently.

**PB** pointed out that audited accounts were available, simply by making a request to Head Office.

**George Yoxhall** pointed out that by law, Thurnham Hall Management Limited were obliged to make audited accounts available to all interested parties. In his opinion no accounts had ever been made available to any member. He had made 4 calls to the Hall and had still not received these. He was aware too, that **Sylvia Butler** had made numerous requests and these had still not been received.

**PB** pointed out that the objective for next year was for extracted Club accounts to show actual income and expenditure relative purely to club business and audited separately.

**KH** stated that he would agree the income and expenditure after working with **JW** and would then pass them to the Committee, for approval.

**KH** also said that he was very happy to work with **JW**, in order to produce a 5-year forecast, if that was something the members felt strongly about. Likewise, figures could be produced to show the breakdown of sleepers at the Hall and **KH** would look at this kind of information for next year.

**Mr Watson** told **Mr Yoxhall** that he had received a copy of the audited accounts on request.

**Mr Culshaw** said that, he was very grateful to **Fred Fogg**, who had borne a significant amount of costs. He was also thankful that he could now see good financial management and accounting systems. However, he was still very concerned about the past and the fact that slack, financial management, had meant the Board did not receive accurate, monthly management accounts and weren't in a position to exercise their normal functions. He asked, "Can we be absolutely sure that there will be accurate, monthly management accounts?" If they were not accurate and the Board discovered this, what action would the Board take on the Members' behalf, which perhaps, they should have taken over the last 2/3 years?

**JW** personally assured the Members that accurate, monthly management accounts would definitely be available to the Board and the Management Committee if they so required. **KH** pointed out that both he and the Assistant Resort Manager, Ann, personally signed every invoice relating to the Hall. Anything, which they do not authorise, is then left open to be queried and re-charged to the relevant area.

**Mr Hazel asked exactly when the fees were due - was it November or December?**

**JW** apologised that due to change over of staff, there had been some confusion. She said she had invoiced on 17<sup>th</sup> October and in an effort to get the fees in as soon as possible, she had incorrectly set a due date of 1 month. She felt sure they had all been told previously that it was the 31<sup>st</sup> December, which was in fact, correct.

**Mr Carter asked a question on the forecast for next year. Under the Leisure Centre they were forecasting an income of £85,000 where in actual fact, this year, it had gone down to £63,000 and had only been £71,000 in the 2002 accounts. He wondered whether this figure was over optimistic? He also expressed concern at the level of increase in maintenance fees.**

**KH** said he had looked in detail at those figures because he thought the question might come up. The forecast for the leisure centre was only achievable if social membership stayed consistent throughout the year. Fluctuations had been experienced due to the fact that there was never a system set up, where contracts were made for a full 12 month period, which meant it was nigh on impossible for the leisure centre to maintain its membership base. **KH** had engaged the services of an external international marketing company, who would go out and achieve the level of memberships needed which was set at 250 and the people they get would be tied in to a 12 month contract so fluctuations should disappear from then on in.

In response to the level of increase on maintenance fees, **KH** said that the costs, which are relevant to running Thurnham Hall, are as they are today. The income which is generated could be a great deal higher and in order to strike a balance against expenditure and income, he closely monitored the costs which were associated with buying the food, as well as repairs and renewals, which are all relevant to maintaining the standards. There have been no luxury purchases and costs have been controlled as much as possible. He still felt confident that he could generate enough revenue in the future to ensure the resort is able to stand-alone - This is **KH**'s main objective and one that he hopes he will achieve.

**Mrs Robinson said that she had never received any notification about the AGM for the last three years. Other years, they hadn't even received their invoice for maintenance.**

**JW** apologised for this lack of notification and promised that she would personally look into the matter as soon as she got back to the office.

**Mrs Fisher asked if the members could receive Minutes from the management committee meetings, which are held. She felt it would be nice if the owners knew what decisions which were being taken, on their behalf and pointed out that they only ever hear what has been decided at the AGM when it's all too late.**

**PB** pointed out that the members actually elected the Committee to do this work on their behalf so they were putting their trust in them to manage this for them. **JJ** said that there are complications with making the Minutes available to everyone because of situations, when action has had to be taken against members, who have been in breach of club rules including action against members, who have committed theft at the Hall. However, he did offer to extract certain issues and names, which should not be available to the general public.

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**June Hertsog seconded Mrs Fisher's request of Committee Meeting minutes because they were being asked to put their trust in specific people and they needed to know the decisions which these people were making throughout the year, so as to enable them to decide whether they wanted to re-elect that particular person, the next time.**

**Ms Hertsog welcomed the separate accounts for the Club. Like many members, who had been there first time round, finances were very important, considering the early background of Thurnham Hall. She said, she was not really interested in the Group. In fact, she was scared that the Group was stretching itself too far. She said that she joined Thurnham Hall because they loved Thurnham Hall, they fought for it through all the financial problems and she wants to see Thurnham Hall survive and not over stretch itself.**

**JJ** replied that they were very conscious of costs and obviously, producing minutes of all the meetings and posting them out would be fairly costly. He proposed that these would be available at the Hall for people to request or they could summarise the main issues and perhaps issue them with the newly launched Newsletter that will be delivered throughout the year.

**FF** said that he totally concurred with the Ms Hertsog. He had since 1996, when he first purchased Thurnham Hall, put £3M in to the Club. The investment went into what, in his opinion and many peoples opinion, is the best resort in the UK.

**Mrs Chamberlain said this had been her first AGM and she wanted to thank JW and KH for the information they had given. Looking at costs, she wanted to ask KH how much the independent marketing company was costing and why wages were forecast to be down next year.**

**KH** said that built in to the wages figures had been streamlining procedures, which had now taken place. In terms of the marketing costs the company in question do all the marketing, photographs, artwork and all the printing. They appoint the staff and they get the first months' membership fee for every single person who joins as payment for the work that they've done. The 11 months thereafter, Thurnham get the income.

**Mr Hunt wanted to look at costs of the staff Christmas party and fees for Solicitors and Trustees to attend the AGM.**

In response to the first point about the Christmas party in 2002, the whole of the cost was borne by **FF**, personally. Some of the costs have been borne by the Group but there have been no salary increments since May 2001 and **FF** felt they needed to be re-paid in some way. The Solicitor and Trustee fees have always been borne by Thurnham Leisure Group but as it is pertinent to Thurnham Hall itself, the costs now need to be borne by the Hall. **JH** had been asked to attend every AGM since **FF** took over Thurnham Hall. It is just common practice for a solicitor, either for the management committee or the Developer, to be present just in case there is any legal point which needs to be addressed, rather than incurring further expenses later, by getting involved in correspondence. **JH** assured the meeting that his fees were kept to an absolute minimum.

**Sylvia Butler asked why £58,000 showed as a negative on the balance sheet.**

**JW** responded by saying she would be very honest in that she would need to go away and look at it to find out what it was and hoped it all reduced to zero by next year.

**Mrs Butler then asked why Reception had made a loss?**

**KH** said that Reception should not be classed as a profit centre, it should be classed solely as a reception area. Reception is manned 24hrs a day, 7 days a week, 365 days a year, because its aim is to offer a service, not make a profit.

**Mr Hutchin** asked **KH** if he had any accommodation to go with the party vacancies for New Year's Eve? **KH** replied that there wasn't but for people who lived in the local area, there were 2 security guards on for the evening, who would arrange transport home.

**Mr Hutchin** felt that the beauty shop should not be at the top of the house, where strangers would be walking past all the members' private accommodation.

**KH** said the only way the beauty shop could be accommodated within the leisure centre was to extend it. **KH** was not aware of any negative comments from people, saying that they felt the beauty shop should not be in the house but **KH** was prepared to monitor it and would look at it again, if it became a problem.

**Mrs Horne** asked if there was still a problem with the sewage.

**KH** explained that there was and that he was in the process of installing an EP600, which is allowed to accommodate for 600 users. This was a cost to the Developer and not the owners.

**Mrs Picking** questioned the in-house entertainment.

**KH** replied that he did not compile the figure of £6,000 presented in the last accounts but that the true cost was in the region of £15,000 – £16,000. The entertainment bill was for the pianist, the harpist has finished and there was no longer a vocalist. A debate took place on whether entertainment should be retained at the Hall and it was felt that the Committee would need to take the views of the membership on board in order to decide the future outcome.

**Mr Oliver** wondered why there was a dramatic drop between 2002/2003 on cleaning and laundry, which he assumed was due to the introduction of the on-site laundry. However, in 2004, there has been a projected 25% increase is that against the laundry?

**KH** replied that, because of the problems with the sewerage plant and the increased water from the laundry, it forced him to send the laundry out to another company. This is obviously reflected in the figures presented before you. The figures for 2004 represent 9 months of on-site laundry, plus 3 months, when it had to be contracted out.

In response to a Website question from Mr Gibson, **FF** said that there was going to be a login station for Members on the re-vamped Website. 2,000 e-mail addresses had already been received and he requested anyone who wished to use this facility to forward their e-mail address to Customer Services.

**Mr Dickinson** said there was an extra item under management fees, which inferred approximately 30-35 weeks, have been confiscated, and **JJ** had earlier referred to 'a right to repossess'. On reading the Constitution there was a specific area which dealt with the non-payment of management fees and within that, there doesn't appear to be any statement, that there is a right to repossess. Could the management committee produce a paragraph in simple

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**English about what happens when a person doesn't pay their maintenance fees, and could they also justify this by relating it to the specific sections from the constitution, so the members know exactly what is going on, with these confiscation's?**

**JJ** replied that the section dealing with non-payment of maintenance states that the member will be considered to be in serious breach of the constitution. The section, which deals with serious breach of the constitution, says that the member's week can be repossessed. Everyone knows that maintenance fees are required to run the Hall and if we didn't take any action against the people who didn't pay, every one of us would have to pick up the additional part of their bill.

**KD** pointed out that to confiscate someone's week is the hardest decision ever to make and the Committee do not take it lightly.

**Mr Pearson said that he was appalled to see the maintenance fee had risen by nearly 50% and wondered what the status was, of Patty's Barn. Did it have a better standard of accommodation, because the location was abysmal?**

**JW** responded that the maintenance fee had to rise to cover 2004 running costs at the Hall. **KH** said that Patty's Barn had been designed to extend the accommodation facilities for people, who wanted to come and stay at the Hall but couldn't get the accommodation. It is part of a working farm but there is a statement on the front of the confirmation letter, to that effect. There is a shuttle facility service to get people to-and-from the Barn but quite rightly, it is not Thurnham Hall.

It was commented that to save costs, a summary of the Committee Minutes could be posted on the Website, where people who have access to the Internet as well as a secure Member Password, could read them. Other people, who wished to see them could do so, by sending a stamped, addressed envelope.

**FF** said he personally did not have a problem with owners having copies of the Minutes but he felt that the owners themselves on the Committee, might do and he thought they should undertake to look at it and report back to the Membership.

#### **9. Re-election of The Management Company**

**JH** commented that now, there was a need for every year from now, to re-elect the Management Company as stated in the Management Agreement dated 29<sup>th</sup> April 1996, which was when **FF** took over Thurnham Hall. In that Agreement, it said that every Annual General Meeting, commencing with the Annual General Meeting, following the expiry of the 7-year period, a resolution needed to be passed, proposing the renewal of that agreement. There is not a voting paper included this year because we had gone past the date legally required to announce voting, on a change to the constitution. **JH** proposed that this be included and voted on next year.

#### **10. Vote of Thanks to Retiring Member of the Management Committee**

**PF** retires by rotation this year but has very kindly agreed to stand for a further three years and there were no other nominations. **PB** pointed out that if anyone wished to participate in the Management Committee, they have from now, until notification next year to submit their nomination, to be voted upon at the next AGM.

**PF** addressed the members:

“I have had the privilege of serving on the Committee for six years. I am standing again for a further three years, for two very simple reasons:- firstly, like yourselves, I love the Hall, even with its ups and downs and I want to be involved in the success of its future. Secondly, my friends call me ‘Pedantic Pam’ and that’s because I hate to give up a job, which is only half done. I want to stay on and be involved for the future security, not only of the Hall but for you, as well. I will do my very best to represent you well – I’m on your side!”

**PB** said that as there were no other candidates, there was no reason to have the election. **PB** asked for a vote of thanks to **PF** for the work she had done and wished her well for the next three years.

#### **11. Alternate Year Resolution to be Considered and Voted Upon**

Proposed by the Founder Member and endorsed by the Committee, this vote was essentially to regularise the position with the alternate year owners. **PB** invited **JJ** to say a few words.

**JJ** stated that the Resolution was basically to consolidate the position of the biennial owners, from when weeks at Thurnham Hall were sold on an alternate year basis. The Constitution only allows for the issue of 51 Membership Certificates in respect of each unit. However, biennially, it opens up the possibility of there being 102 Membership Certificates. The Resolution is basically to bring that into line as the people who have Certificates numbered after 52, could have their ownership called into question by the current constitution.

**A member asked, ‘How many unit weeks were included in this issue?’**

**PB** responded that it would be about 800 members, who had bought biennial years. The whole purpose of this resolution was to make all members equal and not to have different rights for different members. Members were members, whether they had a different type of membership or not and a member was entitled to use the Hall and its facilities, whether it’s an alternate year membership.

#### **12. Any Other Relevant Business**

While the votes on the resolution were being counted, **PB** handed over to **JJ** to deal with any further questions, which arose from members.

It was asked as to how much the social members paid to use the leisure centre facilities. **KH** replied that there were three membership levels: £25 per month, £35 per month or £55 per month. The £55 gives access 7 days per week but with restriction on the use of restaurants for Friday and Saturday evenings.

A member mentioned that a timeshare re-sale company had approached her on the telephone and had so much information on her, that she was very concerned. Mr Fogg said that this wasn’t the first time this had happened and that last year, we were aware that someone had been able to access part of the database. The IT Department were working on better security of owner information to prevent these ‘hackers’ breaking in. **FF** wanted to warn all owners that if they did receive any letters or telephone calls from people offering to purchase their week, to please be aware that they are scams and they would take £300 and that will be the last you would see of it.

**A gentleman pointed out that like a lot of other people he was very surprised at the size of the increase in maintenance fees – 30% in his case. He asked what assurances the membership could be given that the next few years would not be the same and they would not be expected to pay 10 times the level of inflation.**

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**JW** responded by saying that her figures were now very accurate on the costings for the running of the Hall. Apart from the increase in insurance, she did not anticipate there being any further increases. **FF** also added that the Development Company were still subsidising the maintenance fees for next year and it would continue to do so until the final block of 10 units were built, which he hoped would be in 2004 and then the resort could stand alone.

**PB** announced the results of the voting on the resolution which was as follows:-

For the resolution: 131. Against the resolution: 29. There were 12 abstentions, which totalled 172 votes. This was a majority of 76.1% so the resolution was carried.

**Mrs Fisher said that as an alternate year owner, she had been told that she had no rights; no right to attend the AGM, no right to vote and no right to be considered for the committee.**

**PB** pointed out that she was entitled to occupy her week in the alternate year, she was fully entitled to be a member, entitled to vote, entitled to attend the meeting and entitled to put herself forward for election.

Mr Dickinson asked **FF** what happened to the remaining voting rights.

In the 6/7 years since these AGMs had commenced, **FF** had never used his founder member votes. **FF** would never use his voting rights unless he thought a major issue was being voted on which would affect the running of the business and the Club. There are 1600 fixed week owners. When the further 10 units were built, there would be 3000 weeks, which would leave him with approximately 1400 votes.

### **13. Date of Next Meeting**

The date of the next AGM will be Sunday 5 December 2004.

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# A MESSAGE FROM YOUR COMMITTEE

## RE: THURNHAM HALL

21 April 2004

Dear Member

Sunterra has kindly offered your committee the opportunity to write to the members and we thank them for this gesture.

As you are no doubt aware, Thurnham Leisure Group went into receivership on 27 January this year. Unlike the previous occasion, Sunterra Europe immediately purchased the resort and as such, they are now our Founder Member. They have agreed to fund the resort for the remainder of 2004 and are very happy with their purchase and committed to running the resort to its normal, very high standards.

As your Committee, we would remind you that despite the change of Founder Member, your ownership is the same now as it was before and that you still own the same product which you did previously i.e. one or more fixed weeks at Thurnham Hall - your ownership cannot be taken away from you. Likewise, the benefits which go with that ownership i.e. use of facilities at the Hall and the right-of-exchange remain as they were.

Regarding Sunterra sales: if you attend a sales promotion with Sunterra and feel unhappy with any aspect of that promotion (i.e. misleading statements or false promises), please let us know in writing, giving the date and time of your presentation as soon as possible, so that we can take the matter up with Sunterra. A decision to join Sunterra's scheme must be an individual one, dependent upon your own requirements. Sunterra are committed to resolving any issues regarding the sales staff and are asking for our help in this matter.

Because of the change of Founder Member, it now means that a new Management Agreement must be put in place and the committee wish to propose acceptance of a new agreement at the AGM in December of this year. We invite any member who feels they have a valid contribution to make to do so in writing to us by 20 May 2004. Our names and addresses are:

John Jackson  
36 Sandy Lane  
Stretford  
Manchester  
M32 9DA

Pam Francis  
27 Sutton Grove  
Great Knowley  
Chorley  
PR6 8UL

Kevan Dean  
32 Rowan Park  
Beardwood  
Blackburn  
BB2 7BE

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