



**PRECIS MINUTES OF THE
ANNUAL GENERAL MEETING of
THE COMMUNITY OF LAS CASITAS
held on SUNDAY 10TH DECEMBER 2023
at The Birmingham Strathallan Hotel**

There were 439 votes in the room on the first call at 10.00 a.m., which was 18.29% of the total, so they had to wait until 10.30 a.m. for the second call, when there were the same number but they were able to start the meeting. The Chairman, Pam Ames, welcomed owners to the meeting and thanked them for making the effort.

Top Table:

Pam Ames	- Pam Ames, Chairman and Owners' Representative
Germán Castro	- Managing Director of WimPen
Ana Martín	- Area Co-ordinator for WimPen in the Canary Islands
Santiago Franklin	- Finance Director for WimPen and in charge of Administration

First, the Chairman read a letter from Roger Barrow, whose wife had a nasty fall and shattered her shoulder which she had to have completely replaced. In the letter, he apologised for not being able to attend for the first time in ten years and he had asked herself, Pam Ames, to deputise for him. He thanked owners for their support and wished them all a Merry Christmas.

There was also a letter from Craig who runs the bar extending their warmest greetings and sincere gratitude to everyone who frequents the bar. They have been deeply moved by all the support and are grateful for the opportunity given to them. He added it had been a pleasure to serve the beautiful Community. They are trying their best to provide the best service and experience and understand the importance of creating memorable moments. They promise to work towards improving their service and wished everyone a Merry Christmas and a Happy New Year and looked forward to seeing everyone again in the new year.

The Chairman said she was glad he was getting on well, because there was a problem when he and Paul had disagreements and Craig said he would like to proceed on his own, and she noted he had done a very grand job.

1. APPROVAL TO RECORD THE MEETING, WITH ALL RECORDED MATERIAL REMAINING IN THE ADMINISTRATOR'S CUSTODY

Approval to record the meeting with all recorded material to remain in the Administrator's custody was passed with 424 votes for, 11 against, and 4 abstentions.

2. APPROVAL OF THE ADMINISTRATOR'S REPORT

Mrs Martín referred to the report on page 6 of the AGM booklet. Although everyone had probably read it, she wanted to go through some of the points, so that people know what is going on at the resort and how it looks. She had prepared some photographs of the works that have been carried out.

In Reception, Valentina is doing a very good job with the rest of the staff. Although they had a new girl, she is leaving, so they have to start interviewing.

Mr Groves asked how long it would be before they change all the apartments. Mrs Martín said that Item 4 of the agenda covers the five-year plan, as well as Item 5 with the resolutions, and that question will come up later.

Satisfaction reports for Reception Friendliness were 97% with a 5, 3% with a 4; Staff Efficiency was 95% with 5, and 4% with a 4.

Mrs Martín noted that it was very difficult to get cleaning staff at the moment, which isn't helped by the opening of the largest hotel in Lanzarote who are also looking for staff and offering them food and accommodation, which is very difficult to compete with.

They were also without their housekeeper who had a big accident a couple of months ago and is still away on sick leave and is likely to be off for a very long time.

They currently have eight members of cleaning staff and three members of maintenance. Cleaning satisfaction reports were 80% with a 5, and 16% with a 4. Maintenance was 72% with a 5, and 21% with a 4. So all satisfaction reports are very good. These were the ones left in the villas, which they ask people to complete in order to receive feedback to enable them to respond to any issues quickly.

The online satisfaction reports are very important for the resort.

Groves asked if the rentals had done well that year. Mrs Martín referred to the accounts which showed they had. Mr Castro had made a study for the following year and that was shown in the accounts as well. Owners were walking away, and timeshare is very difficult to sell. Hence why online satisfaction is important to get more rentals in. TripAdvisor had 4.5/5 with 189 reviews. Booking.com was 8.9/10. Experia. had 9.2/10 from 132 reviews. They again achieved the RCI Gold Crown for the resort, which they have received for 15 or 16 years now.

Mr Groves asked if they were getting many members going through RCI. Mrs Martín said it was not as many as they used to and that many Las Casitas owners choose to stay at their own resort because they didn't get what they wanted elsewhere, as nice as Las Casitas. Mrs Siemaszko said that was why she gave up RCI a long time ago. Most of the Las Casitas owners had given up RCI, but they still receive RCI members exchanging into Las Casitas, which is why it was important to keep the Gold Crown.

Swimming Pool area and Lifeguard, and Gardens: all the walkways had been trimmed. Fumigation is being done more often now because there is a big problem in all the Canary Islands with mealybug, which can kill a plant in three days; therefore, they had to replace some of the bushes, and it is an ongoing problem. They have introduced a bamboo fence to give more privacy to villas from a piece of land used as a car park. They had planted hibiscus, and the bougainvillea is growing.

Night controller: owners were reminded that it is important to know that if they would like to call the security guard there is a bell outside Reception to call him at any time. He carries a radio so can come to Reception at any time to find out what is needed. The emergency number in Spain is 112.

Bar and Restaurant: Craig is doing a very good job. After the problems from previous year with his partner, they had decided to split the business, so Craig kept the bar and restaurant. He has been doing three entertainers during the week with music, karaoke, and the quiz.

Mr Groves thought one toilet for the whole of the bar area was not enough. Mrs Martín clarified there are three toilets: one for disabled people, one for gents and one for ladies. She said there was not enough space to have more, but they can look at it. They never used to have a disabled toilet and had to use part of the entrance of Villa 49 to be able to have this service. They had looked into having a second bathroom in a two-bedroom apartment, but because they are already at the limit of building works on the land they cannot build.

That year they had refurbished the four studios, which the Chairman said had been very successful, after everybody thought it could not be done. Mrs Martín agreed the feedback comments were excellent, especially now the bedroom is separate. She had some photos of before and after. The Chairman said it was all Mr Castro's vision.

Mrs Martín said they had also done Villas 18 and 19, and the show villa that year as a start for the refurbishments on the rest of the resort. Mr Castro had also chosen lovely decoration. They would discuss how many they are going to.

Mr Castro said there were a lot of issues last year with the studios and he wanted to clarify that sometimes they must leave their Committee and the Administrator to work together to be able to show owners what can be done. When he saw the studios, he realised how bad they were, with the bedrooms in the lounge. When Mr Castro made a proposal to change them last year there were a lot of issues with owners, and a lot of emails backwards and forwards complaining about making changes; many questions were asked on Facebook, the website, and everywhere.

It was just a certain group of owners and Mr Castro replied to all the questions, but when people saw the apartment, everybody was pleased. Mr Castro said after all the bad comments and questions when they proposed doing the refurbishments, he would have loved to have received good comments after owners saw the changes, but there hadn't been any. The Chairman said a friend had been absolutely horrified with the proposals, saying there would not be any space, but she was the first to say how marvellous it now was. Mr Siemaszko suggested that some people just do not want change. Mrs Martín said people had to realise that you have to make changes getting the resort to the standards needed, especially for future generations in order to be able to get new people in loving to go to the resort.

Mr Groves asked if the maintenance had gone up, which it hadn't.

Mr Castro said it is already difficult to please everyone within their own homes when it comes to refurbishments, and agreement among 1,500 owners requires a linear criterion of what is needed. Mrs Siemaszko thought it could also be to do with the fact that when they discussed putting in an extra bathroom in the two-bedroom villas, it was suggested that the two-bedroom villa owners should bear the cost, whereas changing the studios was borne by the whole Community.

The Chairman pointed out that when they started with Mr Pengelly things were not expensive and they did not have to get planning permission, but some people wouldn't even pay €400 per villa, so they had to get everybody's opinion. Mrs Siemaszko's view was that she would not pay unless it was guaranteed that everyone was going to pay.

Mr Castro said that the Horizontal law does not allow for some to pay and not others; it has to be aligned, with everybody paying the same thing. However, they needed to consider that the majority of income that they are receiving now is from the rentals, and that enables all the refurbishments to be done. They have the fewest number of owners in the studios, which means that all the rental income that comes into the studios comes back to the Community, so it is in the Community's own interest to be able to do the studios, so they are able to rent them more and get more money into the Community.

Mrs Siemaszko did not understand why people were objecting to changing the studios. Mr Groves said when they see the new studios you can see they will probably get a lot more sales.

Mr Castro said that 30% of income comes from the rentals and that will be getting higher and higher. The rentals are important for the resort, because they keep maintenance fees at the prices they pay now. Therefore, he said they needed to change that perception, because it is the rentals that have been able to give them the money to do the refurbishments and keep their maintenance fees down. Without it, they either would not have been able to do any refurbishments or if they wanted the refurbishment, they would have had to pay a one-off fee to be able to do all the villas.

Mr Groves asked, if rentals were so necessary, how much a rental charge is per week. Mrs Martín said it depends on the time of year as is on the market price and availability. He wondered if there was a benefit to renting instead of paying maintenance, but Mrs Martín said rental prices were always more than the maintenance fees. Mr Castro clarified that in certain weeks where there were a lot of villas it could be the same price as maintenance fees. A week's rental generally gives the Community over €700 while the maintenance fee is €300. Owners receive a 20% discount on rentals. On the new website there is an option that compares how much the price is on Booking.com.

Although rental bookings can be made through the website, they do not stipulate the villa numbers because they cannot be blocked; they only offer what is available.

Mr Groves suggested an internal exchange. Mrs Martín said they had tried some years ago but it didn't work because owners had to give their weeks in to be able to swap around, and if there is no availability they are stuck.

Mrs Martín continued with the resort report. Part of the building of the wall of the tennis court has already been done. Now they are doing the other parts of the building. Wooden doors have also been replaced with aluminium because there are a lot of problems with woodworm now in all the Canary Islands, so they are gradually changing them. Magnifying mirrors have been introduced in all the bathrooms.

The property Holding Company holds 1,210 weeks, of which 1,174 relate to owners who continue their ownership of the villa and week and 36 weeks that were transferred and have been abandoned. The Chairman noted those could be rented out. Mrs Martín added they could also be sold.

In escritura ownership, there are 1,190 in total blocked weeks, of which 516 were active owners. These figures were requested last year, and they have been included in the AGM booklet.

Resales: that year they have sold 68 weeks, which is very good; 44 weeks from the Holding Company and 24 from owners who had sold their weeks to another owner. They are now working with Valentina who oversees sales at the resort in case anybody is interested in buying a week. The list of the resales is also on the website.

Mrs Martín asked if there were any more questions on the resort report.

Mr Groves questioned the idea that selling 68 was classed as good. Mrs Martín said that timeshare is very difficult to sell now. They proposed to Valentina that if anybody requests to buy a week, she can make the contract, if anybody would like to have any information on escrituras or the Holding Company, she would give the information they need or they can contact Nichola in head office. Mrs Martín agreed that the majority of sales are to owners who are on the resort and want to extend their stay.

Approval of the Administrators Report was passed with 420 votes for, 11 against, and 8 abstentions.

3. APPROVAL OF THE ACCOUNTS FOR THE YEAR ENDING 31ST AUGUST 2023

Mr Franklin reported that the 2022/23 Profit and Loss account was on page 17 of the AGM booklet, as well as on screen. Income exceeded budget by €22,204. Rental of blocked weeks was higher than expected as well as the rental of Holding Company weeks. Mr Franklin explained 26.5% of income comes from rentals, which is over a quarter of the income of the Community. Without it, the Maintenance Fee that individual owners pay would be far higher than at the moment.

The main variance in Expenditure was in electricity; they had forecast €85,000 as last year the cost of electricity was going up and up and they thought that it could continue to increase further.

Thankfully, it had gone the opposite way: the price had gone down, thanks to an improved tariff that they negotiated with the supply company. Expenditure was therefore €35,159 less than expected. The other major variance was under wages, which were €20,809 over budget due to retrospective salary increases approved by the Government by almost six months.

Overall expenses were €13,183 less than budget. Bad Debt Provision: they had expected to have €35,000 of bad debt but, thanks to the success of the rental of blocked weeks, not only is the provision nil, but they reduced the provision by €6,144, which is a very good figure. They transferred €88,085 from the Holding Company towards the refurbishment of the studios, which were upgraded at a cost of €161,925, including show villas 18 and 19. They expected it to be €155,016 for the studios alone, so there were savings there.

With the increased income and the saving under expenses, and the reduction in the Bad Debt Provision, it left them at the end of the year with a successful €53,734 Surplus.

Mr Franklin asked if anybody had any questions on the accounts.

Mr Groves asked what would happen to the €53,000. Mr Franklin explained it goes into the reserve funds. In the future, if they want to move ahead faster with refurbishment of the villas, for example, they can use money from the reserve funds in order to speed them up.

The Chairman said it showed what a good job OnaGrup do, because in the past their bad debts were going up and up, because they did not have the rental programme that OnaGrup have, so every year they had to make more and more provision for bad debts and they were going to go bankrupt, which was one of Mr Pengelly's considerations when he gave up WimPen to Mr Castro, who she said is doing a grand job.

Mr Franklin added that the €53,734 is put with the other €288,358 they already had in the reserve funds, as could be seen on page 18 of the booklet in the Balance Sheet, which shows the accumulated surplus over the years, so they are up to almost €350,000. Also on the Balance Sheet they can see how much is in the bank: €426,030, so the reserve funds of €350,000 are not just on paper, but actually available in the bank for use.

Mr Groves asked in that case whether they would not be putting maintenance fees up next year. Mr Franklin said they go up in line with inflation. Otherwise, they lose purchasing power, which would mean that the increase of costs of other items and fixed costs of items in the budget go up and they then have to reduce other items such as repairs and maintenance of the villas.

Approval of the Accounts for the year ending 31st August 2023 was passed with 422 for, 9 against, and 8 abstentions.

4. PRESENTATION OF THE FIVE-YEAR MAINTENANCE AND RENEWALS PLAN (NON-VOTING ITEM)

Mrs Martín presented their five-year plan for refurbishments, etc. That year it included renewing the cabling in some of the apartments. They are painting the exterior of the resort in two years. That year, they were doing all the front and all the boardings on the apartments, on the entrances, and the following year they are doing the whole of the villas on the outside. Painting the interior of the villas will be in 2027/28. The swimming pool is something they have to plan for in the future, in order to do the Munich system, which is now law, as they have done in Las Brisas. The Munich system is for all the water that goes into the pool to drop all over the pool to keep the pool much cleaner. The plan was to do the children's pool first and then the second year the big pool and the actual floor around the pool area.

Their heating pump, which is nearly 40 years old, needs to be replaced, especially as it is getting more difficult to get replacement parts.

In that year's budget they are changing the majority of the wardrobes and the following year all the wardrobes will be completed.

New kitchens: has the renovation of villas 18 and 19. The Chairman wanted to have more done and use some of the money that they have got. Mr Castro said they could not wait ten years to do all the kitchens, by which time they will already be old, so they were planning on doing most of the items, as they have done with the wardrobes, which will have taken two or three years to do all the kitchens. However, Mr Castro and the Chairman suggested using the sinking fund to do most of the kitchens in the following year. Mr Siemaszko agreed it was better financially because they are not earning a lot of money from it being in the bank. Mrs Martín agreed they are not earning anything, and the Chairman pointed out that prices go up. Mrs Martín agreed; she said by the time they do the job; the quote can go up 3% or 5% from the previous year. The material costs of the pool went up 30%. Therefore, the Chairman was going to propose for next year to take the money out of the sinking fund to accelerate the process of the refurbishment.

The Chairman noted that everyone has different preferences, but they have to go with what the majority would prefer. Mrs Siemaszko agreed that even though they do not have to worry about having a washing machine, she would not object to putting them in for the people who do use them. Mrs Martín said there was a proposal two years previously to have the washing machines outside, which people didn't want, but there is no space in the kitchens; however, if they are doing the kitchens, they might as well do it properly with a dishwasher and washing machine, although it is not a Gold Crown requirement.

Whilst talking about refurbishing the resort, Mrs Siemaszko said she could not reach the tops of the cupboards in the kitchen. Also, the microwave is quite dangerous as it is above the oven and too high. She asked if the new one was slightly lower. Mrs Martín said the ones in the show villas are lower but still above the oven, as could be seen on pictures. The cupboards are a bit lower. Mr Groves said they had not thought about disabled people staying in the apartments. The Chairman said that when she arrives on site, she has to take down what she knows she is going to be using all the time.

Mrs Martín continued with the five-year plan. If things accelerate, the living room would as well. There would be new TVs able to connect to all the systems, because they have very old TVs on the resort which can't be connected. Reception toilets are being worked on. Pool bar bathrooms are to be refurbished the following years.

Mr Groves said the courtesy shower room was dirty. Mrs Martín said it was being replaced. They had to have a dining area for the staff so they planned to have the other area. The shower is changed to a shower screen instead of a curtain.

This item was not for voting, just for information.

5. RESOLUTION: THE OWNERS APPROVE AND AUTHORISE THE RENOVATION OF THE UNITS OF LAS CASITAS. THE MODELS, EQUIPMENT AND MATERIALS WILL BE AS EXECUTED IN PILOT VILLAS 18 AND 19

This item had been discussed earlier. The Chairman was proposing next year to take the money out of the sinking fund to accelerate the programme. If necessary, they would have to ask all owners, as they did with the studios.

The Resolution was passed with 417 for, 20 against, and 2 abstentions.

Mrs Martín said the good thing was that everything was covered in the budget using the money they have got so they do not need to ask owners for a one-off payment, thanks to the rental income, which will give them a new refurbishment.

6. APPROVAL OF THE BUDGET AND PROPOSED FEES FOR THE YEAR COMMENCING 1ST SEPTEMBER 2023

Mr Franklin said the Budget was included on page 21 of the AGM booklet. As mentioned earlier in the meeting, they propose an increase in fees in line with Spanish inflation which is 3.8%, which is far lower than in the UK. He said they again see here the importance of the rentals. Last year the actual was €206,727 and they had forecast €244,115 for the following year. Holding Company weeks rentals of €50,069 were expected to rise to €59,124, which means that 30% of income comes from the rentals.

The Chairman said she did not know what they would do without it, and they could not do all that they have been doing.

Expenditure was allocated in line with previous year expenses, included in the forecasted increase. That year they plan not to increase the Bad Debt Provision as they hoped it would follow the trend of last year.

Mr Franklin asked if anybody had any questions on the budget.

The Chairman asked which laundry they use, which is the WimPen laundry in Las Brisas. Mr Franklin said they had asked for quotes from various other laundries on the island, which have been much more expensive and do not have the daily service that they need.

Approval of the Budget & Proposed Fees for the year commencing 1.9.23 was passed with 410 for, 25 against, and 4 abstentions.

7. ELECTION OF OWNERS' REPRESENTATIVE

Mr Castro thanked Pam Ames for all the work that she does for the resort, and the President as well, Mr Barrow, who could not attend. He said they both work very hard for the Community and are very open to see the improvements that can be done on the resort. The only candidate that day was Pam Ames, so they ratified her nomination.

The Chairman thanked Mr Castro and said they have seen a lot of changes, and she was particularly proud of what Ona have done and the fact that their resort is the oldest resort. It was the first one built by Wimpey, so it is over 40 years old and in such good condition. She added that it was a new venture for Wimpey at the time, the first they had ever built, and it had been successful ever since.

Mr Siemaszko said he had spoken to quite a few people who have timeshares and a lot of them in the old days used to say, "Your maintenance fees are very high in comparison to what we pay", but he said they get everything done, whereas a lot of other places complain, but at Las Casitas everything is sorted out there and then, which makes higher fees worthwhile in the long run.

Pam Ames was elected as Owners' Representative with 361 votes for, 57 Against, and 21 Abstentions.

Mrs Martín congratulated Pam Ames on another year.

8. APPOINTMENT OF WIMPEN LEISURE MANAGEMENT SA AS ADMINISTRATORS FOR A PERIOD OF THREE YEARS

The Chairman said they need OnaGrup, who needs a three-year rolling contract to be able to spend money and decide on what to do, which she recommended. Mrs Martín noted they have a five-year plan.

Appointment of WimPen Leisure Management S.A. as Administrators for a period of three years was passed with 392 for, 23 against, and 24 abstentions.

Mr Castro thanked owners for renewing their contract and for their confidence. He stressed that WimPen always only proposes, and all proposals are discussed with their Committee for owners to decide.

Mr Castro said they believe Las Casitas should be a resort which is healthy and has its own money to be able to do all the things that they are actually doing. He said that some owners see it in an emotional way but that he sees it as a father who needs to be strict with his son to secure his future.

Mr Castro wanted to address the questions about having the meetings via Zoom. He said it is not up to WimPen as Las Casitas is a community, which is different from other associations, and it is registered in law with statutes under Horizontal Law, where it is very clear that AGMs have to be presential; the vote has to be delegated by writing and people who are voting in the room have to be presential or voting by proxy, in order to comply with all the legal requirements. They could not therefore change their statutes because they wouldn't comply with the law. A Zoom meeting would therefore be invalidated.

In addition, the data protection law is strict about not having a Zoom meeting which people can see from outside the meeting, because some comments may not want to be recorded and published.

Mrs Siemaszko accepted the explanation but pointed out that there were five attendees that day, which she imagined was costly, and she could envisage a time when there were no owners attending, so she wondered if there was a more cost-effective way of achieving the same thing. Mr Castro said that the law establishes that every year they must give people the ability of attending a meeting and providing a proxy option. He said the main reason for the AGM is to approve the accounts and to elect the President.

The Chairman said they had expected a lot more people to attend that day. Mr Franklin said only one person confirmed that they were going to attend who had not turned up.

Mr Castro said that legally there is no other option.

Mr Groves suggested holding it in the summer. Mr Castro responded that the statute establishes that it must be on that date, because it is the closedown period, so it gives the opportunity to all owners to attend the meeting. If it was done in the summer, some owners would be on site, so they would not be giving those owners the option to be at the AGM.

Mrs Siemaszko was thinking about maybe having a smaller room. Mrs Martín pointed out that the room is shared with Las Brisas in the afternoon, so they are saving money in that way. This was why they do four meetings all in the same weekend, to share all the costs of the meetings among the resorts. If Las Casitas picked another day at another time of year, the whole expense would be for Las Casitas, instead of shared with 4 resorts.

Mr Franklin said that the bulk of the cost of the AGM is not the hiring of the room, but preparing and printing the booklet, and distributing it. Having a smaller room would save a couple of hundred pounds.

The Chairman said the other contentious issue is where they hold the meeting, because they have got owners in Scotland, in the north, in the Midlands and they say, "We can't get down south." Mrs Siemaszko said they must go up north from the Christchurch/Bournemouth area.

Mrs Martín said they were discussing this the day before and both resorts suggested Manchester next year, although Roger Barrow had said to do it in Bournemouth. Mr Groves, who is in Derbyshire, said he would be happier with Manchester.

9. RE-APPOINTMENT OF AUDITORS

The Chairman said that they ought to look at appointing a different auditor. Mr Franklin said that if they decided on a change, it could not be for that year, because the wording of the resolution is the re-appointment of auditors, so if they want to look at a change, it would have to be for the following year.

Mr Franklin said they were paying for Ernst & Young who are one of the top five companies, so they are paying for the name. He said that audits are carried out according to audit standards, so it does not really make much difference who does it because the audit would follow the audit standards and should be the same. Ernst & Young's prices are going up and up each year.

Mr Siemaszko said they had used them for a long time and someone did support them, saying that they have got all the paperwork already, so it is much easier for them to update it. Mr Franklin said that made no difference; one year he will have more work, but the following year it can be all straightforward.

The audit for Las Rosas and Los Claveles is carried out by another company called Thomas Westcott, from Devon, whose fees are about 30% less. Mr Franklin was happy with the work carried out by them. Another problem he had with Ernst & Young is the staff they send are very young, just out of university, and sometimes he feels like he is teaching them instead of them supervising his work.

Therefore, next year Mr Franklin would like to invite owners to express their opinion whether to change or not. Mrs Siemaszko thought it was worth considering.

The vote for that year, however, was to reappoint Ernst & Young as Auditors.

Re-appointment of Auditors was passed with 420 for, 15 against, and 4 abstentions.

10. VENUE FOR THE ANNUAL GENERAL MEETING 2024

The venue is not a voting item. Owners would be informed of where it will be held, but it wouldn't be held in the same hotel because they are closing.

The Chairman and Mrs Martín wanted it recorded on the minutes for people not to feed the cats, because they then return expecting a particular villa to feed them and do not understand why they are being ejected. It is also encouraging more cats into the resort.

Mrs Martín thanked everyone for attending the meeting.

The Chairman closed the meeting and wished everyone a Happy Christmas and a safe journey home.