

LAS MIMOSAS BEACH CLUB

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Newsletter and 2007 AGM Agenda

Dear Members

We are pleased to report on the activities of the Club for 2007, and invite you to attend the Twenty first Annual General Meeting on 16th March 2008 when we again visit the Stratford Manor Hotel, nr Stratford-upon-Avon. Those of you who attended previous AGM's will be aware of the excellent buffet provided by the hotel and a similar arrangement has been made for members prior to commencement of this AGM

Accounts & Finances

Draft Accounts are enclosed with this newsletter and further commentary and analysis will be presented at the AGM.

Brief highlights:

A welcome return to a 26,000+ surplus position in 2007 after some years of investing reserves in change of Trustee project.

A spectacular £58,000+ contribution from Re-sales and Rentals which John Turner describes in further detail below.

Net assets conservatively stated at £230,000+ without revaluation of the office property.

Management Fees

At today's date, it is pleasing to note that all but 15 owners have paid the current year's Fees. We achieved _1.46 on transfers of sterling to the resort during the year.

On-site Expenditure

All areas matched budget. Mira and Miguel must be complimented for their joint efforts, in running an efficient on-site operation, and maintaining excellent working relationships with our suppliers and advisors on the Costa.

Trustee & Legal Fees

The first full year of working with new company administrators in the Isle of Man (PKF trading as West Corporation) and our UK Trustee, John Hughes (Needham & James Solicitors) has passed without incident and we have met all regulatory requirements and deadlines in the three jurisdictions. Our thanks are also due to our continuing Spanish legal and fiscal advisors, Sandra Wrightson and Vicente Sanchez Martin (De Cotta McKenna Santafe Abogados). Their combined charges leave the Club with only £50 change from £20,000 in 2007....but we remain more than happy....they are worth it.

Management Agreement

The current management agreement expires on 31 December 2008. We feel the experience and network of contacts developed by your Committee since 1993 has proved invaluable in securing the continued success of the Club. For these reasons, we propose to extend the terms of the original agreement for a further three-year period to 2011 and the Committee ask for your support of this proposal.

and now ... to John Turner for a commentary ...

Sales and Rentals

Our Net income from our Sales and Rentals activities during 2007 was £58,645 which represented 193% of our target figure of £30,450 that was set at last years AGM This final total was the result of **gross Sales of £96,650** and **gross Rentals of £27,981.**

The total net profit for the previous 14 years now stands in excess of over £600,000 (£613,617) that gives an average of £43,830 for each of those years.

Our Sales and Rentals target for 2007 was based on trying to sell 30 suspended weeks, 11 Owners weeks and to rent out 60 weeks during the year. These targets were considered achievable even though we knew that the opportunities were becoming even more difficult to sell suspended weeks due to the lack of the popular Red weeks. Rental income was also diminishing because of the scarcity of suspended weeks to let plus the fact that lower numbers of weeks were being offered by members. On the plus side we continued with our arrangement with some of our Spanish members to rent their weeks directly through Mira. The fact that Mira rented out 12 such weeks, and the Club subsequently received £1,393 extra profit, speaks for itself and she is to be congratulated for her handling that tricky part of the job. In addition, Mira also rented out a further 36 weeks, on behalf of UK owners, and Club suspended weeks for a further profit of £6,094. These two sets of activity resulted in Mira renting out 48 weeks against her target of 30 weeks.

The **Sale** of weeks during 2007 was very buoyant and we sold 68 weeks of which 38 weeks were suspended weeks and 30 weeks were on behalf of Owners. The monetary target for sales was £22,474 but a final profit of £45,395 was actually achieved. **Rentals** accounted for 76 weeks (target 60 weeks) and made a profit of £11,250. Although this achievement was above the targets set, it was actually lower than 2006 when we completed 81 weeks. However, this is due to the fact that we sold considerably more weeks in 2007 that would otherwise have been rented. Of the 38 suspended weeks that were sold, only 5 of these weeks were in the popular period May through to September. This means that 87% of the 38 weeks (33 weeks) were sold in the less popular 'off peak' times. This emphasises the point about working much harder to achieve the target profit figures. It is also very frustrating to keep turning prospective buyers away and, as a consequence, the waiting list for buyers continues to grow.

Thank you all for your help and introductions in achieving these solid results.

During the year we did increase the price of some of the suspended Red time weeks. We anticipate keeping our recommended price list for Owners weeks at the current levels during 2008.

The Committee have continued during the year to apply the Internet rental prices (which are about 25% more than Club members prices) to such rentals and for those members who **continually** only wish to rent extra weeks rather than buy the weeks and make a financial commitment to the Club.

We also duly implemented the increase in the rentals handling charges from £60 to £100 per week for those Owners who **habitually** ask us to rent out their weeks. These increases were levied at the discretion of the Committee and confirmed to the relevant Owners at the time of their requests.

We have again noticed a reduction in the number of Owners requesting the sale of their weeks. The early indications from the management fees collection exercise show that the number of non-payers (for this time of the collection period) has again dropped significantly. These various factors will also have an affect on the pricing issue.

As mentioned in our Newsletters we continue to be inundated with complaints from members concerning resale companies 'cold-calling' members and asking if they wish to sell their weeks for ridiculously high prices. **We would again warn members of paying money 'up front' to any resale company.**

The Committee are pleased to announce we exceeded the Sales and Rentals target for the year and look forward to next years challenge with confidence even though the opportunities appear even slimmer.

Administration

Once again many thanks for the Christmas cards and notes enclosed with the management fee payments. The Committee are very grateful for your continuing support.

Further upgrading of the apartments (kitchen units/doors and appliances) commenced towards the end of the year and will be completed during 2008.

Some new sun-beds and replacement covers will also be provided in the spring.

The upgrading of our membership database is still awaiting completion although was partly operational at the time of sending the 2008 invoices. Please note the Club Constitution states it is the member's responsibility to advise us of any changes to their registered postal address. Failure to advise us could result in important correspondence (Newsletters, AGM agendas/minutes, invoices, reminder notices etc) not reaching their intended destination.

As mentioned in previous newsletters the airport collection and delivery service has proved a great success but unfortunately, because of rising fuel prices, the charge is being increased from March to _45 (max. 4 persons) and _65 (max. 6 persons) respectively per one way journey.

The introduction of non-smoking has been a considerable success with a reduction in both the number of complaints and damage (burn marks) to the apartments. However, we continue to find that a few people, both members and guests, fail to observe the rules. Many hotels, including the Marriott chain, have now introduced a cleaning charge (in the USA Marriotts charge \$250) which is added to clients bills if they smoke in the apartments. Although we do not intend charging that amount we are now actually warning guests on arrival they may face an additional cleaning charge should they transgress.....

The Golf Week in December was once again a great success. For those golfers amongst you that may be interested in attending this year, and perhaps also bringing friends from your local Club, the Golf Week commences on Saturday 6 December 2008. For more details and prices contact Jim Young at Personal Touch Travel on 01332 757515.

We would once again draw your attention to the 2008 calendar and please ensure you book flights on the correct dates!!

As most of you may be aware, because of our close proximity to La Cala Golf and our arrangement with Sunshine golf to provide guaranteed tee-times, Las Mimosas continues to be registered as a golf resort with RCI. This booking facility with Sunshine golf is also available on line at www.sunshine-golf.co.uk and reservations@sunshine-golf.com to those of you who would prefer to pre-book tee-times well in advance (recommended for most times).

Please note all apartments are fitted with special door locks that, in addition to the added security, allows the staff emergency access even if the key has been left in the lock on the inside of the door. Also, when the doors are double locked, it is impossible for anyone to gain entry without the correct key because these locks cannot be 'picked' and the keys can only be copied when accompanied by a security card. Therefore it is important the keys are not mislaid, as the replacement costs to the Club, both in time and money, are significant. **Another important reason for double locking the apartment on the way out is that some members and guests have forgotten to take the key with them and not realised until they have been unable to get back into the apartment late at night!!!! You have been warned!!!!**

To assist the on-site staff on change-over days please contact either the UK or Spanish offices by telephone, fax, letter or e-mail stating whether you are using your apartment and, if so, your estimated time of arrival and number in party. **Please note this action is not necessary if you have 'Spacebanked' your week as we are advised by RCI or Dialanexchange.**

Unpaid Fees

On the 5 January 2008 (commencement of week 1) 30 members (5%) had either failed to pay their management fees or to ensure they had been received either at our UK office or bank. Failure to pay management fees on time causes a considerable amount of additional work and costs in postage and telephone calls. However, many of those who forget to pay their fees on time did manage to remember to Spacebank their weeks with RCI! Those Spacebankings were subsequently blocked but unfortunately the Club often has to accept incoming RCI guests already allocated these weeks and therefore are responsible for the cost of cleaning, laundry etc. without any financial return.

Those Members who have received a reminder letter, through default of payment of maintenance fees, are currently suspended and therefore not permitted to vote on the enclosed resolutions. Please note that, subject to approval at the A.G.M., the suspended weeks will be disposed of for the

'best price' obtainable at the point of sale. In view of the difficulty experienced in re-selling some weeks it is possible no money will be refunded to former Members. **We would remind everyone that you are Members of a Club and, like any Club; Membership is subject to paying the annual Maintenance fee by the due date each year.** In fairness to all Members, the Constitution will be strictly observed to prevent placing penalties, through increased fees, on those Members who pay on time. **RCI have been advised of all Members who are currently suspended and therefore any 2008/9 'Spacebanked' weeks, and any exchanges made against these weeks, have been cancelled. RCI will be advised when Members payments are received at the Club office and cleared by the bank.**

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Please note you can also look on our Website (www.beachclub.co.uk) where further information on the resort can be obtained.

Finally, a reminder that the AGM will be held at the Stratford Manor Hotel, Nr. Stratford-upon-Avon on Sunday 16th March. The room will be available from 12.00 noon onwards for an informal briefing and presentation on Timeshare matters with the news from the Costa etc. leading to the buffet which will be provided at 1.00 pm. **The AGM business will commence at 2.00 PM.**

We would remind you this is a members club.....you actually own the property, through a Trustee.... and therefore are entitled to voice your opinion of the on-going management and long term destiny of the resort. Subsequently it is important as many members as possible attend the AGM in order to vote on the relevant items and voice their opinion.

How to get there:

From the M40 leave at Junction 15. Head towards Stratford-upon-Avon (A46) and at the roundabout take the A439, signposted Stratford Town Centre. The Stratford Manor Hotel is another 1 mile along this road, on the left hand side.

From Stratford-upon-Avon Town Centre take the A439, signposted Warwick and the M40. The hotel is 3 miles along this road on the right hand side.

M J Gordon
Chairman
9 February 2007