

**The Arc 1950 Owners' Association**

**Report and Accounts**

**for the year ended 31 August 2016**



## **Purpose**

The Arc 1950 Owners' Association ("OA") was formed on 1 June 2008 and its details were published in the Journal Officiel on 19 July 2008. The OA is intended to provide a discussion forum for apartment owners in Arc 1950 (the "Village") and to act as a representative voice in dealing with the developer of the Village, hoteliers, general meetings of the co-props, the ASL Resort Club (the "ASL") and with other service providers. Our aim is to seek to improve the Return on Investment for the owners and to otherwise improve overall owners' experiences. The OA's Articles of Association and Rule Book may be obtained from the Secretary.

## **Directors**

The Directors of the OA during the financial year were:

**President.** Jim Wilks, appointed 1 June 2008.

**Treasurer.** Andrew Beale, appointed 1 June 2008.

**Secretary.** Jen Smith, appointed 10 December 2014.

**Head of Communications.** Richard Barlow, appointed 1 June 2008.

**ASL Representative.** Fabrice Perez, appointed 1 June 2008.

**Lease Renewals Representative.** Jonson Cox, appointed 27 November 2008.

**Lease Renewals Representative.** Stephen Roberts, appointed 6 December 2012.

Directors receive no remuneration. We are always looking for volunteers to assist with the significant burden of work related to the village. Typically, the Board meets by phone every two months (or more frequently as needed) and in person two or more times per year. Volunteers should expect to spend three to four hours per quarter on OA business. Directors generally offer themselves for annual re-appointment at the AGM, if they have not resigned.

## **President's Report**

It has been my pleasure to serve you again this year as President of the Arc 1950 OA.

With lease renewal earlier this year for the third building, Prince de Cimes, and from April 2017, Jardins and the upper part of Auberge, there has been increasing content on the OA website around the lease vs. classic decision, with new classic owners providing advice to each other on a wide range of topics. It is heartening to see such extensive cooperation - something that the OA is proud of facilitating. While the views on the website are sometimes strident, the debate is interesting, and helpful to all owners.

Speaking of the website, I am grateful to Richard for the immense effort he has put in migrating the website from the old Plone setup (no longer supported) to Wordpress. While the new website requires users to reset passwords, most have managed to do this, and the 1950 debate continues unabated on the new system. The instructions for doing this are on the landing page of the website, but if you are having problems, please contact [webmaster@arc1950owners.com](mailto:webmaster@arc1950owners.com). Richard continues to add functionality to the new website.

As concerns around the Leaseholder Pierre & Vacances have receded with new terms negotiated by the OA's lease team (led by Stephen and Jonson), we have begun to focus on the next issue of note being the copropriétés. With increasing numbers of classic owners having to pay these charges directly (rather than being absorbed within the lease arrangements), we need to consider risks around potential conflicts of interest between P&V as leaseholder, P&V subsidiary Sogire as managing agent and other P&V companies as maintenance providers. We need to ensure that each building's conseil syndical works as it should and that the managing agents are tendering for services appropriately. So far progress is modest. We have formed sub-teams for each building and most have held at least an initial conference call with their members. We

need to get momentum going here, and will discuss these initiatives at our December AGM.

As most of you will have heard, there is to be a new development below the village – Hameau des Oursons, whose construction will potentially impact apartment owners in Auberge Jerome and other buildings. Nathalie Guidon, Directrice of the ASL, has sent out a newsletter to all owners about this, and we will be monitoring what is happening via the ASL. On a more positive note, the very old and slow Pre St Esprit lift is set to be replaced in December 2017, running faster and with more capacity, extending higher up the hill, and coming slightly closer to the village. More information on this to come in due course.

Speaking of the ASL, owners are represented on the ASL Board by 4 OA members - Andrew as President, as well as Fabrice, Joanna Yellowless-Bound and Michaela Butt. There are three other Board members representing P&V and the retailers for a total of 7 on the Board. Our Directrice, Nathalie Guidon, plans to come to our OA AGM again this year. Things are running smoothly in the village, with revamped entertainment, PR and marketing, as you will hear.

While no-one knows yet what changes Brexit will eventually bring, those still in leases should at least have a relatively good starting point in rental income terms from the 2015/16 season, judging by how well the ASL's 2.35% revenue share held up despite the village's shift to classic. Season 2016/17 may well be quite a bit tougher given the impact of weaker sterling and Brexit uncertainty on UK bookings, which are widely reported to be down significantly across the Alps. Looking forward, we all need to stay aware of how Brexit may affect our investments in the village, with as yet unknown effects on tax and other related issues. Let's keep the intelligence flowing around these topics on the website.

Finally, I'd like to thank Jen Smith for her contribution as Secretary, but we are now looking for her replacement. Please don't hesitate to get in touch, if you can help out and would like to know more about what is expected.

### **Treasurer's Report**

The OA began the Financial Year with a cash balance of €23k (€22k after current liabilities), did not seek members' subscriptions beyond those joining or becoming active members for the first time, and after spending ~€6k more than our income, closed the year with around balances of around €16k. After HSBC informed us that they would be closing our account as part of their cost reduction plans (no longer serving associations like ours), we changed banks during the year to La Banque Postale.

We currently have 416 membership accounts, of which 332 are paid-up "active" members. 17 new active members joined up during the financial year. Income for the fiscal year was €2,261, consisting of €2,125 in subscriptions and €136 in interest. Expenditure for the year was €8,478, leading to a deficit of €6,217. The largest item expenditure was a final legal bill from the lease renewal work of the previous financial year (€4,060), with major other items including hosting the AGM (€1,716), website hosting (€1,506, which included extra expenses for the website migration), and conference calls/meetings (€1,065).

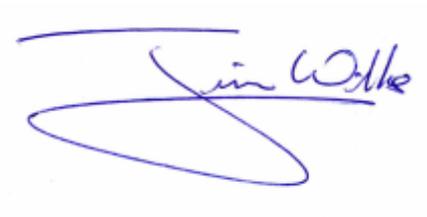
We will be guided by our members' wishes at our AGM on 8 December 2016 in determining spending priorities for the FY16/17 year. While we have no immediate need for funds at this moment, we would like move to a model where we ask for a modest annual subscription. Our proposal is to retain the €125 joining fee for new members (mainly for reasons of equality with existing members), and then to charge perhaps around €1-2 per month or alternatively €12-24 per year, to be collected via a continuous authorisation subscription to cover our ongoing expenses. If everyone signs up, this modest subscription should cover our annual expenses, leaving our current bank balances available for more expensive work items that might arise, e.g., advice around copropriétés. Such a subscription model will take some time to implement in the automated fashion that is necessary, so is unlikely to be put in place before the Spring of 2017, subject, of course to members' approval.

## AGM Details

The 2016 AGM is to be held at the London School of Economics at 54 Lincoln's Inn Fields, WC2A 3LJ on Thursday 8 December 2016 at 6.30pm.

London, 20 November 2016.

### President

A handwritten signature in blue ink, appearing to read "Jim Wilks", with a large, stylized flourish underneath.

Jim Wilks

### Treasurer

A handwritten signature in black ink, appearing to read "Andrew Beale", with a large, stylized flourish underneath.

Andrew Beale

**The Arc 1950 Owners' Association**  
**Income & Expenditure Accounts**  
**for the year ended 31 August 2016**

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**Members Income**

Subscriptions	2,125
Interest income	<u>136</u>
	2,261

**Expenses**

Bank charges and Paypal fees	131
Conference calls and meetings	1,065
Website Hosting	1,506
AGM Meeting & Drinks	1,716
Lease Renewal and Termination Advice	4,060
	<b><u>8,478</u></b>

**Excess of Expenditure over Income** **6,217**

**Balance Sheet as at 31 August 2016**

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**Current Assets**

Cash at Bank	15,508
Cash at Paypal	<u>482</u>
	15,990
Less: Current Liability	<u>205</u>
<b>Members' Funds</b>	<b><u>15,785</u></b>