



Chairman's letter

Dear Fellow Owner,

As I write my annual letter to you, the resort is getting back to pre-pandemic occupancy levels, which is good news for our holidays and good news for the Club.

I am writing to you this year on a number of significant topics.

Update on the Tax Situation

Update on the 2022 Budget & Inflationary Pressures

Update on 2022 maintenance Fees

Update on F&B

COVID concessions

Tax Situation

Firstly, an update on the tax situation. The initial investigation for 2013-2015 is still going through the appeal process. When we first communicated the background to this issue in 2018, the Committee had been advised by our consultants, PricewaterhouseCoopers, that the Club had a 50/50 chance of winning an appeal against the tax liability and interest, and a 60/40 chance (in favour) of winning an appeal against the fine. In Spain, it is legal practice that when a tax demand is issued, immediate payment is required. At the time of the initial tax notification the Club did not have sufficient funds to meet the demand, therefore the advice was to appeal the ruling and offer security against the debt.

Our Trustee, Hutchinson, recently advised us that they are working on behalf of another Club with a similar case to ours, and the court has recently ruled against that Club.

Following these developments, the Committee has reviewed the advice and support given to us in dealing with these tax issues. With the support of Hutchinson, the Committee has decided to engage a specialist tax advisor with relevant local expertise in these tax matters. As such the Committee is now being advised by an independent tax advisor based in Malaga on the way forward with this investigation.

The view emerging from the tax advisor is that although we are still awaiting the outcome of this appeal, it is looking increasingly unlikely that we will be successful. To avoid additional interest and penalties being incurred the advice is that the tax and surcharge relating to this initial investigation should be paid immediately.

As a result of our prudent financial control, the good news is that the Club has sufficient funds in the Long Term Fund to pay the tax, interest and fine in full for this investigation, should the appeal go against us. The initial penalty of €481,347 is suspended whilst the appeal is ongoing, however the Club has now paid a total of €1,148,085 in back tax and surcharges.

The Committee has recently been notified of a subsequent investigation for 2017-2020. This was something that the Committee had anticipated and the projected Long Term Fund balance at the year-end gives us a level of comfort that the Club can meet this potential tax liability if and when it becomes due.

We have fully provided for the 2021 tax liability in the 2022 budget and are in the process of taking advice on moving the domicile of the property-owning companies. Initial advice received was that this wouldn't be necessary as the companies were classed as being resident in the UK for tax purposes. However in light of new advice received, we believe that this is the best course of action to ensure that there is no question over whether the companies are subject to the non-resident tax in the future.

2022 Budget & Inflationary Pressures

We, the Committee, have reviewed the proposed budget for 2022 in depth as we normally do – and revised and made provision for the inflationary pressures alongside the ongoing tax liability as outlined above.

No one will be surprised to hear that we are facing rising costs both in Lanzarote and at home. Electricity costs in Lanzarote have increased significantly, and we are anticipating an increase on this cost line of at least 25%. The cost of security guards has also increased significantly, and we are legally obliged to apply the Spanish Government's rulings on pay awards for the staff.

The impact the pandemic has had on major income streams such as rental revenue has been very significant. We have also effectively lost 2 years of sales, and this has resulted in an increase in the number of Club unsold weeks, on which we are unable to collect any maintenance fees. Accordingly, to balance the budget and ensure the resort continues to be well maintained, we have had to increase maintenance fees for 2022.

2022 Maintenance Fees

Unit Type	Unit type on invoice	2022 Fee	Increase on 2021 fee
1 Bedroom	1B	£408	£20
1 Bed Duplex	1D	£429	£20
1 Bed Floating	1B or 1D	£415	£20
2 Bedroom	2B or 2L	£498	£24
2 bed Penthouse	2P	£554	£27

Additionally, to manage and mitigate the significant increases in electricity costs in Lanzarote, the weekly utility fee will increase to €30 from 1st January 2022. The utility fee hasn't been increased in recent years and this small increase will ensure we can meet rising costs. Owners will continue to receive this back in the form of a voucher to be spent in the bars.

F&B

The Food and Beverage department has understandably faced significant challenges over the last 18 months. We have used this opportunity to re-evaluate how we can continue to offer a great service whilst managing costs. For the short to medium term, it has been agreed that 361 will continue to be the go-to bar for food service and Skyline will offer drinks and regular entertainment. We will continue to monitor this situation and respond to changing needs as necessary. I have recently returned from Las Calas and have to say that the food in 361 was excellent and offering drinks and entertainment in Skyline seemed to work really well. I can't emphasise enough how important it is for us all to continue to support the bars when we are onsite.

COVID Concessions

In light of the budgetary pressures outlined above and the impact of paying €1,148,085 in tax, the Committee has made the decision that owners affected by travel restrictions preventing them from holidaying at Las Calas during 2021 will not receive a COVID concession. When we made the decision to offer a COVID concession for 2020, I don't think anyone of us expected the effects of

the pandemic to be so drawn out. I must emphasise that this decision was not taken lightly but we have had to do what is right to protect the Club for the benefit of all owners.

As I have said on many occasions, the Committee's role is first and foremost to protect Club Las Calas, so it continues to be a wonderful place for us all to enjoy for many years to come. We are elected volunteers and as you can imagine the situation with the tax liability on top of having to navigate through a global pandemic has been very demanding. This said, we are a strong Committee and I along with my fellow Committee members remain very positive about the future of the Club.

I feel it is very important to be open and transparent with you all. Through your continued support and prudent financial management, the Club is in a strong position to deal with the tax liabilities and inflationary pressures.

Despite the challenges we face, the resort is looking better than ever. I cannot tell you how good it was to be back at Las Calas after so long. As always, the staff are amazing and cannot do enough to ensure that we all have a fantastic time.

Collectively we, as owners, are Las Calas, so I would like to thank each and every one of you for your understating of the difficult decisions we have had to make and for your continued support.

*Mike West
Chairman, On behalf of the Committee*

Club Las Calas **AGM**



The 2021 Club Las Calas AGM will take place on Saturday 17th September 2022 at the Three Swans Hotel, Market Harborough, Leicestershire.

If any owner wishes to stand for election to the Committee, nominations must be received by the Committee at the Resort Solutions address by Friday 17th June 2022, together with details of the proposer and seconder as required by the Constitution of the Club. Owners are reminded that following the change in the Club Constitution, an owner from any part of the resort can stand for election.

Resort Solutions can be contacted for further information. The formal notice and any additional information will be sent closer to the date.

Nearly back to normal!

The Las Calas Team are enjoying welcoming everyone back, it's been a long time!

The health & safety of all our guests and our staff is still paramount. Therefore, we have guidelines from the Spanish Government and local health authorities. This will mean that the holiday experience we provide still may look and feel a little different for a while, but we ask that you comply with the rules and regulations in place for the health and safety of us all.

The use of face masks is still mandatory indoors, on public transport, in taxis and in open-air situations, such as crowded streets or large events if a safe distance of 1.5 metres cannot be maintained. Masks are no longer mandatory outdoors if a distance of 1.5 can be observed BUT you must carry a mask with you at all times so it can be worn when required.

Las Calas has been busy in 2021 making sure that all the disruptive work is completed. Lots of terraces and communal areas retiled with non-slip tiles eliminating health and safety risks. The duplex terraces in Calas 2 have been retiled and the step removed, therefore the whole of the terrace is now one level.



The hot water tanks in Calas 2 have now been replaced and new ones for Calas 3 ordered. These are modern units that will stop the problem that we have suffered in the past with rust.



Apartments 328 and 329 have been adapted for our less mobile guests, these apartments now have full access for wheelchairs. The apartment now has a wet room with rainfall shower and to increase available space in the bedroom we have included a double-bed.

Both of our F & B facilities are now open. 361 offers food and drinks throughout the day. Come and enjoy your breakfast on the lovely terrace and then in the evening choose from our delicious bistro menu, including all your favourites.

Skyline is open from 12.30 until 23.30 offering a full drinks service with Happy Hour from 18.00 until 20.00. Also, Skyline offers variety of entertainment on certain evenings throughout the week.

If you are celebrating anything let us know and we can offer a celebration package to suit all budgets. To find out more email us on fandb.lascalas@cmslanzarote.com

Skyline had the floor repaired, ready for the dancing to commence and a new glass barrier fitted between the tables and the pool area outside.



Club Las Calas Website

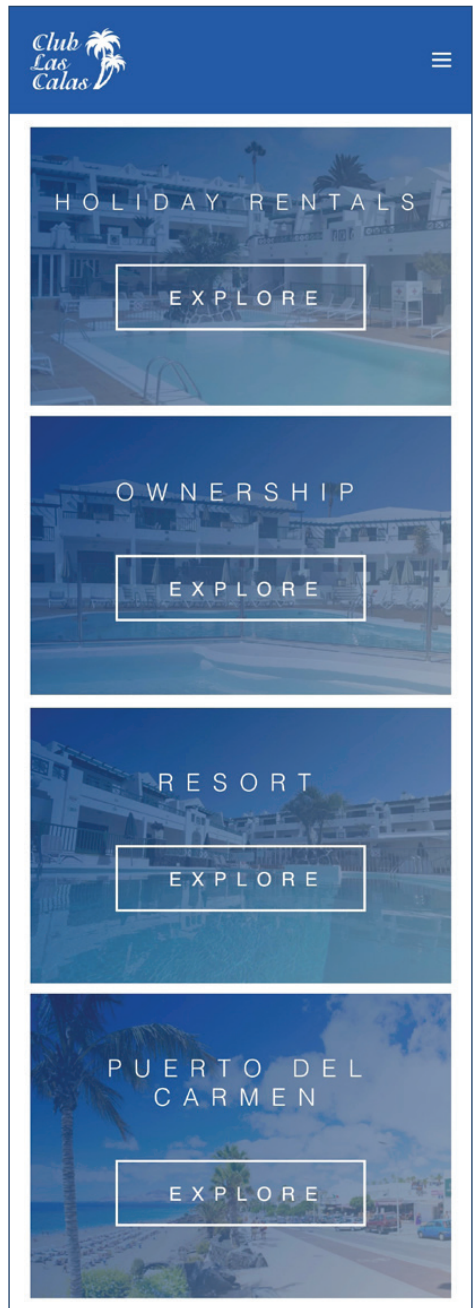
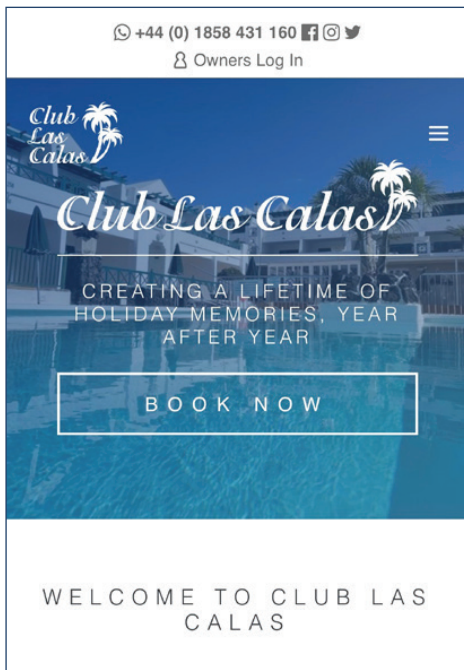
Early in the new year we will launch a new website which has been given a sleeker, more modern image to reflect what Las Calas has to offer to attract more prospective customers to visit the resort.

It provides good user experience, helps the website visitors access and navigate the website with ease, loads faster and has been designed to be more tablet and mobile friendly.

It has been built to give us a really good foundation and has a far more dynamic approach which in turn allows changes and updates to be carried out much faster.

The Las Calas social media channels and future blog will be linked to the website however, it will become the focal point for the Las Calas online presence and everything will be linked and connected to it.

We engaged a new web manager to create the new website and this has been done at minimal cost to the Club.



Your Direct Debit options for annual Maintenance Fees

Resort Solutions Ltd continues to work with your Committee to provide the easiest and most cost-effective methods of payments for Owners.

Don't forget you have the option to make 12 monthly Direct Debit payments for your annual maintenance fees.

This is available to all Owners with a UK bank account.

All new direct debit instructions, in respect of 2022 fees will be taken over 6 months (January to June 2022) in accordance with previous practice. The option to pay over 12 monthly payments will then come into effect from July 2022 with respect to 2023 maintenance fees.

The 12 monthly plan takes six payments in advance of the due date and then six payments post due date.

The due date for your payment of your 2023 maintenance fee will be 1st January 2023. The programme will start six months prior on 15th July 2022 and continue taking monthly payments on 15th August, 15th September, 15th October and so on ending 15th June 2023, which then completes the 12-month payment option.

The first five payments will be based on the 2022 maintenance fees and when the 2023 maintenance fees have been agreed by your Committee, the system will simply adjust the remaining payments to ensure full payment for 2023 fees are taken over the remaining 7 payments.

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IT'S THAT SIMPLE.
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If this sounds like the thing for you then please complete the Direct Debit Mandate enclosed within your invoice pack by ticking the appropriate direct debit box and returning in the envelope provided.

If you need any further information on these options please contact the Customer Services team at RSL on 01858 431160 or email admin@resort-solutions.co.uk.

It really could not be easier, and you can relax in the knowledge that payments for your annual maintenance fees are being taken in manageable amounts across the year.

*And remember
there is no charge
for Direct Debits!*

Paying your Invoice

On the reverse side of your invoice you will find all of the options available to make your Maintenance Fee payment, including bank transfer, Direct Debit, with a credit or debit card online or by completing the remittance slip and sending in a cheque.

It is essential that you quote your Owner Number as a reference with every transaction made. You will find your Owner Number in the box at the top right-hand corner of your invoice.

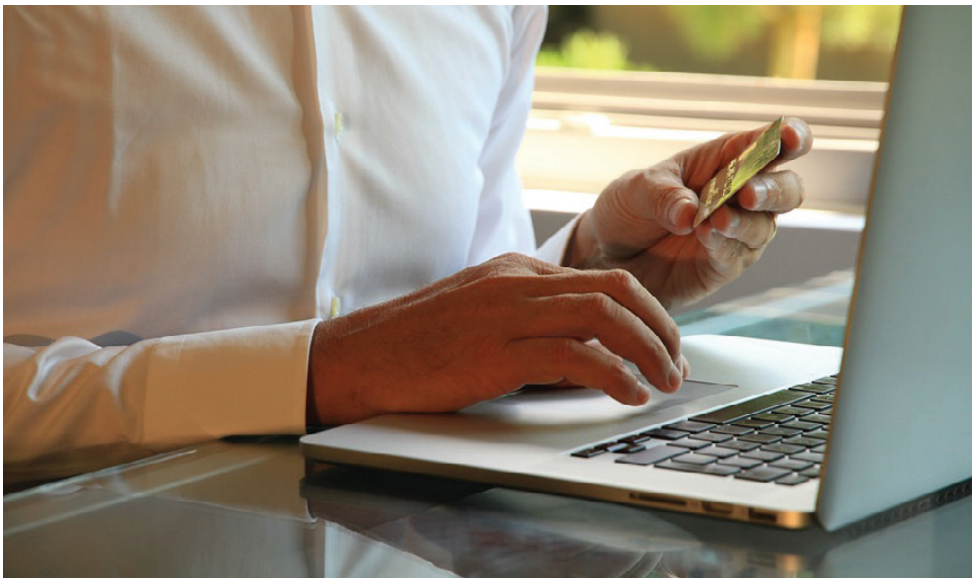
Direct Debit

Don't forget you now have the option to pay your invoice by Direct Debit over 12 months. There is no administration fee if you elect to pay by this method, and you can pay your 2022 invoice over 6 months with the option for 2023 fees (and subsequent years) to be paid over 12 months. Simply return the completed Direct Debit Mandate enclosed with your invoice pack and indicate which direct debit option you wish to opt for.

Once the Direct Debit is in place, you will not need to worry about your Maintenance Fees again. Your completed Mandate will be carried over from one year to the next so there is no need to cancel and renew at the end of each year. You will be notified of your annual Maintenance Fee as usual in December.

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Don't forget you can also pay your fees at any time, 7 days a week on-line by visiting www.resort-solutions.co.uk
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We recommend that when using the online payment facility, Owners check their bank statement before they call RSL with any queries.



Since the beginning of the COVID-19 pandemic in early 2020, we are sure you will agree, it has been a great struggle and a period of vast uncertainty for everyone.

The unforeseen and unimaginable circumstances impacted the world around us with your beloved home timeshare resorts and management company thrown into unknown territory. We had all hoped and anticipated that by the end of 2020 we would all be back to 'normal' and we could wave goodbye to the year however, as 2021 approached we were still in the grips of the pandemic and it felt like there was no end in sight. We are now at the latter end of the year and with thanks to the successful vaccination roll out and most travel restrictions being lifted, it feels like we can all get back to pre-covid times as we see the light at the end of the tunnel. Due to the ongoing hard work and efforts of your timeshare resort staff, management teams and owner committees who have kept the cogs turning at your resorts, we hope that you will be able to return to your home resort shortly, if you haven't already done so, and enjoy that much needed holiday with your family and friends.

As we are sure you are aware there has, during the 18 months of 'lockdown', been a substantial increase in contact with timeshare owners from fraudulent operators. They have unfortunately, used the COVID-19 situation to their advantage, offering owners ways of exiting their timeshare or some kind of 'too good to be true' offer. Some owners have sadly parted with large sums of money and have fallen victim to such scams. EUROC and Resort Solutions work alongside the relevant parties involved in protecting timeshare owners



from such activity. It is more important now than ever before that you stay alert to this type of activity and tread with caution at all times should you receive any form of unsolicited contact regarding your timeshare by phone or email. If you wish to discuss your timeshare ownership at any time, please contact Resort Solutions or your resort committee representatives and do not engage with any 3rd party company to be on the safe side.

Owners continued commitment to their timeshare in these unprecedented times has meant that the resorts have been able to continue to be well maintained and are ready and waiting for owners to return. We encourage you to share your positive and happy experiences at your timeshare resorts on social media and on website reviews to support your resort and help sustain it for many, many years to come.

As we look towards the future, we can see a more positive tinge to the end of 2021 and into the New Year. We feel that for everyone, recent times have been somewhat life changing but by the timeshare community pulling together, sharing ideas and resources, and forming new friendships, we have all made it through and can finally get back to doing what we do best, providing amazing holidays and memories for our owners and guests.

We hope 2022 is amazing for you all.

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Stronger Together!
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BEWARE!

Fraudsters are continuing to target and exploit owners in a number of ways.

Timeshare Resales

Fraudsters try to take advantage of timeshare owners who want to sell their timeshare. They pretend to be a company who claim to have a buyer lined up who is ready to pay a good price to buy the timeshare. In return for finding the buyer they ask for an upfront 'introducers' fee or other type of payment. They may also pretend to be the buyer at the same time as the company and use different contact details so the story is believable. In reality the buyer doesn't exist and it's another way to extract money from victims.

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Timeshare Exit & Compensation Fraud

Timeshare owners are frequently approached by businesses purporting to offer services that enable them to relinquish or exit their timeshare contracts. In many cases, offers of 'legal compensation are also mentioned.

For more advice, go to <https://timeshareexitconcerns.co.uk/timeshare-com>

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Recovery Fraud

A number of businesses have been closed down in recent years that have sold consumers membership schemes that claimed they provided discounts and benefits on holidays and timeshare or timeshare related products,



including fraudulent relinquishment and compensation services. Prior victims of these schemes may receive an email, a cold call, a letter or contact from a company on the internet which claims to know that they have been a prior victim of fraud. The company will claim that they are able to recover monies and will offer a service in return for an upfront payment of legal or administrative fees which they

claim will be returned on a no-win no-fee basis. Often, the reality is that they are the same people who were originally involved in selling the victim the bogus products and are looking to extract more money.

Once the upfront fee is sent, the company disappears with even more money.

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Bogus or Cloned Law Firms

Fraudsters impersonate well-known and reputable legal firms claiming to offer services to timeshare owners or prospective buyers. They often clone overseas firms so that due diligence on part of the victim

is more complicated. Before appointing or soliciting the services of a law firm for any timeshare related activity, consult the Timeshare Business Check website to ensure you avoid any cloned firms; <https://timesharebusinesscheck.org/>

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Bogus Leisure Credits

Fraudsters approach victims offering points, credits or vouchers which can be exchanged in return for holidays across a variety of destinations. They are marketed to imply they afford the investor more choice and flexibility and may include other perks such as website or online shopping discounts. In reality the points or credits sold to the victim don't exist. Once the money is sent all communication is severed. Occasionally fraudsters will also claim to offer a timeshare disposal service included within the package to entice those victims with an existing timeshare they wish to sell.

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Bogus Timeshare Holiday Bonuses and Upgrades

Fraudsters contact timeshare owners claiming to represent legitimate timeshare companies. They explain that the owner has been 'awarded' a bonus holiday which they can claim by paying an upfront administration fee. When they arrive on their bonus holiday they are taken to a resort where the owner is persuaded or pressured into upgrading their existing timeshare for an additional fee. They may also believe that they are selling their current timeshare as part of a part-exchange process. In reality the upgrades don't exist and the fraudsters are simply after any additional fees they can extract from the victim.

Advice

- **NEVER RESPOND TO COLD CALLS, EMAILS OR LETTERS**
your details have probably been obtained illegally.
- **Investment Opportunities**
Don't be rushed into making an investment. Remember, legitimate organisations will never pressure you into investing on the spot.
- **Spot the Signs of Recovery Fraud**
You're contacted by an agency that knows a lot about the money you lost, but they want a fee first. Genuine agencies never ask for fees to recover money lost to fraudsters.

Seek Advice First

Before making significant financial decisions, speak with trusted friends or family members, contact your committee or Resort Solutions, or seek professional independent advice.

- *If you're looking to sell your timeshare make sure you use a resale company that has signed up to the RDO code of conduct and check that the company is who they say they are and are. You can find a list of RDO members here: <https://rdo.org/members-directory/>*
- *If your circumstances have changed and you are thinking of selling or relinquishing your ownership, you should contact the committee or Resort Solutions for advice and guidance.*



To find out more about your legal rights and to find out how to avoid scams, go to <https://timeshareexitconcerns.co.uk>





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Your 7Across membership is the door to travel freedom and with this amazing discount you can now get MORE for LESS!

Upgrade or renew to Gold Advantage to receive a £15 discount!

Your **Gold Advantage** will pay for itself with these fantastic benefits:

Exclusive access to Exchange Weeks, 21 days before anybody else.

- £10 off all Bonus Week bookings
- 10% off European Resort Rentals
- Up to 50% off Credit Extensions
- Priority request matching



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This offer is valid for 7Across active members only. This offer is valid for upgrade and renewal on a 1yr or 3yr Gold Advantage. The offer will expire on the 31st Dec 2021. DAE is now 7Across. Standard pricing 1yr GA £55, 3yr GA £135, renewal 1yr £49, 3yr £125.