

## Statement by the Chairman

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When we look back at 2022, it is sometimes easy to forget that the year started with the threat of further lockdowns as the Omicron variant of COVID-19 swept across the world. Thankfully that didn't happen and 2022 was the closest to a normal year since 2019. In fact, in some ways the Club was busier than it was in 2019 with villa occupancy across the year at 83.7% compared to 82.1% in 2019 and 38.3% and 50.2% in 2020 and 2021 respectively.

Although the pandemic became a much less significant issue over time, the onset of war in Ukraine and the volatility of prices created its own challenges. However, we were fortunate to avoid the effect of the rise in energy prices having entered into a 10 year fixed rate contract for electricity in 2019. In fact, unlike many other businesses, our energy costs were €68,000 lower in the prior year due to subsidy from the Portuguese government on network costs combined with the fixed contract.

Overall, I am pleased to report that we ended the year with a surplus of €807,890 (2021 €734,024) which has been transferred to our revenue reserve which now stands at €2,650,279 (2021 €1,842,389). The surplus was after making a full allocation of 12.5% of membership fees to the sinking fund, this now recovering after the significant investment that was made in the refurbishment of the villas which was completed in early 2020. Whilst on the subject of fees, I would like to thank the vast majority of members who paid their membership fees in such a timely manner.

In my report in last year's accounts, I commented that we had been really encouraged by the success of the resales activity noting that we had completed 172 transactions in 2021 which seemed like an exceptional result at the time in the context of our previous experience. However, 2022 was even more exceptional with 322 transactions being completed. This activity not only demonstrates solid interest in the Club but it has also provided a very timely revenue stream and gives us confidence to continue to invest in our facilities.

Having allowed our headcount to fall in 2020 and early 2021 through natural wastage and terminating short term contracts by the end of 2022 it was back to normal levels at just under 150 people. The period of change where a number of familiar faces take well deserved retirements continued, of which the most notable was of course Ian Pugsley. We also said goodbye to Luciana Kiener, Ian's assistant who had been with the Club for 29 years and, in March 2023, our Accommodation Services Manager, Carlos Tomé, who has been with us since the Club opened. We wish each of them a long and happy retirement and thank them for their dedicated service.

Azy Leite joined us as Deputy General Manager in February but has since moved on. Following his departure and in anticipation of Carlos' retirement, we decided to restructure the management team somewhat and have welcomed Luis Lorena as Operations Manager and Sara Pinto as Front Office Manager. This leaves us with a senior management team of five led by Antonio, supported by João Carlos Oliveira (JC), Luis, Sara and Fabio Freitas, who has now had a full year as Food and Beverage Manager.

We held the annual long service awards dinner at the Club in November and I was very pleased to present twenty five year awards to three members of staff.

In my statement last year, I referred to the legislation introduced in Portugal which, if we don't take any action, is highly likely to result in our annual IMI (Council Tax) charge increasing from around €65,000 to €1.5m per annum. In mitigation, at that time we were expecting to redomicile Four Seasons Country Limited from the Isle of Man to Cyprus. However, as noted in the letter to members that accompanied the membership fee invoices in November 2022, this plan was ultimately rejected by the Board because of onerous requirements regarding member's and director's personal information in favour of relocating to England.

The process of relocation to England requires approval by both the members at an EGM and the Courts in the Isle of Man. Members will have recently received the requisite documentation which is unanimously recommended by the Board. In considering the application, the Court will take the absolute number of members that take part in the voting into account and if you haven't yet returned your proxy form, I urge you to do so.

On the basis that members and the Court approve the Scheme, the business will be transferred to the new English company shortly after the Annual General Meeting which is being held in Dublin on July 12th.

For many years, our Registered Office in the Isle of Man has been provided by Grant Thornton and Dennis McGurgan

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## Statement by the Chairman (continued)

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has acted as Company Secretary. This business has recently been sold to Fortress Trust Company and Dennis is retiring. We thank Dennis for his support over the years and wish him a long and happy retirement.

We have continued to invest in the Club to enhance the facilities. We replaced the sun bed mattresses around the swimming pools and the restaurant terrace chair cushions; as part of an ongoing process, replaced some of the equipment in the gym; constructed a new outdoor gym area; erected a new bike shed, at the entrance to the resort to provide cover to both rental and bikes owned by members; replaced one of the tennis courts with two new padel tennis courts and have created a new eco-island that can be directly accessed from outside of the Club thus removing the need for garbage vehicles to enter the resort.

We had hoped to start work on our plans to create a new pool, that can be heated throughout the year, and bring villa 97, the original show house, up to modern health & safety standards in the autumn but the process of getting planning approval has been much more involved and taken much longer than expected. However, we expect to receive permission shortly and start work later in the year.

This will be a major investment but, given the strong performance of the Club over the last few years, is fully funded and will significantly enhance the facilities that we are able to enjoy in the future.

Ian Hares  
Chairman

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