

SKI CLUB OF GREAT BRITAIN®

Minute of the Meeting of Council held online via Zoom

25 August 2022 at 1700

In attendance: Trevor Campbell Davis (Chair) (TCD), Stu Bevan (SB), Martin Jordan (MJ), Ed Killwick (EK), Jean Lovett (JL), Angus Maciver (AM), Elizabeth Morrison (Secretariat) (ELM), John Simpson (JS)

Apologies: Anthony Harris (TH), Walter Macharg (Treasurer) (WM), Alison Wareham (AW),

Observing: Katy Ellis (Head of Holidays) (KE), James Gambrill (General Manager) (JG), Owen Chapman (Head of Memberships) (OC), Jitendra Shetty (Finance) (JtS),

AGENDA

1 Chairman's welcome and introductions

TCD welcomed everyone to the August Council meeting, being held online.

2 Minutes of meeting held on 27 July 2022

The minutes of the Council held on 27th July 2022 were approved and following any appropriate redactions should be uploaded to the website.

3 Matters arising and agreed actions from previous meeting

Please see the Action Tracker for more information.

OPERATIONAL MATTERS AND REPORTS

4 IT infrastructure update

TCD introduced the IT Infrastructure update by reminding Council members of the context within which key decisions around the IT Infrastructure Update were required to be made. This included reference to the financial status of the Club and previous Club experience of large-scale IT programmes.

SB offered his grateful thanks to the staff and Guy. He reported to Council that:

- Wireframes for the website are now complete.
- A migration path from the existing website to the new website has been determined.
- The tender document for the new website is almost complete and ready for issue. It is anticipated that around eight weeks will be required for responses and that work will commence in around ten weeks. Full implementation will be planned for June/July 2023.

SB highlighted to Council members that users would be required to reset passwords and there is a risk of overloading office staff if significant numbers of members require additional support with this. Contingency planning, such as additional temporary staffing, around the launch of the new website to mitigate this risk will be necessary.

SB also highlighted that Mountain Tracks would not initially be part of this. AW raised concerns around the implications for staff team members and passengers wishing to book Mountain Tracks holidays. It was agreed that this should be revisited at the Council meeting in September.

SB reported to Council that decisions around the replacement options for Summit were more complex. During the discovery phase a product ([Redacted]) had been identified which would replace Summit and offer significantly more bespoke customer relationship management. The functionality provided by [Redacted] would enable customised mailshots, awarding of badges, development of email logging and responding system. While [Redacted] has the capacity to create bespoke reports, staff capacity and capability require further consideration.

Because of the identification of [Redacted], SB reported that the original financial forecasts for a new website and replacement for Summit were probably under costed by circa £140K. Current projections are suggesting that including [Redacted], costs would be around £210K, most of which would fall into this financial year (2022/23). It was noted there is £74K in the current financial year budget for the IT infrastructure project. Going forward there is likely to be a cost saving per annum. However, this is harder to predict as licence fees often increase over time.

SB noted a few of the compelling reasons for procuring [Redacted], despite the additional costs, such as system capability, digital communities, and staff training. However, more work was required to determine the implications for staff and the possible need for additional resourcing. The system is highly sophisticated and while staff develop skills to test and use the system, backfill maybe necessary. This would be an additional cost. It was noted that the design of dashboards should enable non-technical team members to use the system at a basic level with relative ease. It would, however, take time and training for full system functionality to be used.

Council noted that the narrative for members regarding all the implications will be important to get right.

ACTION	Financial	Create a cashflow forecast, and expenditure timeline for the IT infrastructure programme	SB	WM	Sep-22
	Operational	SB and JG (with team) to complete conversation around project management requirements and overall resourcing.	SB	JG and team	Sep-22
	Financial	Review planned budget with current budget proposals	WM	JtS	Sep-22
	Strategic	SB to develop paper to enable Council to reach decisions at the September Council meeting around a new CRM system	SB		Sep-22
	Financial	SB to present proposals for IT infrastructure programme to FAC in September	SB	WM	Sep-22

Credit Card Bookings

TCD reported to Council that the company processing credit card bookings had requested that additional security be added to the system to protect the Club and members. While a solution had been found for Mountain Tracks, a similar low-cost solution had not yet been found for Fresh Tracks. While JG is continuing to seek and negotiate solutions, it was agreed that this should be added to the risk register.

ACTION	Operational	Risk register to be updated with very high risk around credit card payments.	ELM		Aug-22
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5 Finance

Management Accounts to July 2022

In WM's absence, JtS reported the July 2022 accounts.

The Club revenue during July 22 was £88K up by 3% against the budget of £85k. The commission from sales of insurance to non-members was down by 20% around £500 against the budget. The gross profit for July was £42k, operating profit was £30k and with unrealised gain of £197k the pre-tax profit was 230k. The year-to-date revenue for the Club was £263k, gross profit was £132k, with an operating profit of £79k and pre-tax profit of £60k.

The revenue from holidays business i.e Mountain Tracks was £11k as against no revenue budgeted for July. The gross loss was £60k, operating loss of £60k and a pre-tax loss of £61k. The losses are mainly because of reassigning the overheads £60K to the cost of sales and adjusting of shared cost of £18k between the companies.

Specific issues impacting the Club (membership) operation:

- The increase in the value of the stocks has given an unrealised gain of £197k in the month.

Specific issues impacting the gross profit of Club and Holiday operation:

- We have reassigned certain overheads that are directly impacting the gross profit such as the cost of the direct staff (reservation, operation, marketing etc), brochure costs, IT cost etc to the cost of sales. This reassignment has reduced the gross profit of Club and Holidays operation. However, similarly, the overheads were reduced by the same amount with no impact on the operating profits of the companies.
- The shared cost of companies such as rent, IT, marketing etc shared between companies on an equal basis or the use of the services. This change will increase the cost of SCWA and reduce the cost of SCGB. with no impact on the consolidated operating profit.

Investments

The net value of investments as of 31 July 22 was £3.688m against £3.490m on 30 June 2022 which has generated an unrealised gain of £197k and a dividend of £4k. During the month there were no additional investments or the disposal of assets. The year-to-date realised gain was £79k, dividend £17k and unrealised losses of £103k.

Cashflow

The consolidated bank balance on 31 July 2022 was £572k. The net cash outflow was £208k in the month, with deposit payments towards holiday/trips, which was in line with our forecast. We continue to forecast to maintain a positive cash balance throughout the financial year without borrowing any additional funds. At this stage we do not expect to generate sufficient cash to repay loan facilities before next winter; the position will be kept under review. The cash forecast model suggests a balance of over £809k in April 2023, so there may be an opportunity for loan repayments by then.

Other balance sheet highlights: The loan from Rathbones is £734k, and the NatWest Bank BBIL loan is £100k payable in 10 years. Liabilities to customers and suppliers are £513k, comprising deposits and final balances received from customers towards future holidays (£162k), deferred membership subscription fees (£305k) and other creditors and accruals (£46k).

Other issues/risks/opportunities that were brought to the attention of Council:

Finance & Audit Committee have met with Rathbones to discuss the investment strategy.

The annual audit field is complete, and the accounts have been signed by the directors.

6 Review of progress towards return to resorts

OBC presented a paper detailing where reps have been in the past. Council members noted that pulled together, reps had been found in circa 50 different resorts. Feedback from members consistently reinforced the value that they put on the presence of reps. OBC reported plans for rep training and guidance documentation. It was noted that aspects such as expectations, code of conduct and health and safety including critical incident management should be added.

OBC reported to Council that a comprehensive plan with detailed costing would be presented to Council in Sept 2022. Council agreed that an overview of all the guidance materials and marketing materials for reps should also be brought to the September Council meeting.

220808	Operational	Prepare a comprehensive plan for detailed costing for the return to resorts agenda	OBC		Sep-22
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JL commended the ambitious plans and asked if there were enough reps available to cover all the proposed slots. Council was assured that there were, and that most reps were asking for more slots.

Council discussed the progress being made with returning reps to France. It was noted that The Three Valleys have established their own “travel agency” and are keen to be involved if agreement can be reached with ESF. Council agreed that the risk to reps volunteering in France would need to be reduced as far as possible and mitigations agreed. Careful consideration would also need to be

given to the place of Instructor-Led Guiding and relationship with company. It was suggested that longer slots in France would be viewed more positively, and time would be available to build up positive relationships with resorts. It was noted that many reps, who are retired, are keen for longer slots.

220808	Operational	Prepare a comprehensive plan for detailed costing for the return to resorts agenda	OBC		Sep-22
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7 Membership Update

Overall, membership in July declined slightly (37 Households). The majority of these were SnoZone members who had chosen not to renew. New joins had increased above forecast; these were driven mainly by holidays. Further details are available in Annex A.

Council noted that the planned marketing plan is due to commence in September 2022. And membership might be expected to pick up thereafter. Being able to generate interest by announcing new resorts is likely to be helpful in this regard.

JG reported to Council that the Club is the official insurance partner for the Snow Show in October. The Club will have a manned stand throughout. This will increase visibility of the Club to a wider and likely younger clientele. The Club is listed in all the documentation, including newsletters, as the insurance partner and interviews will be pre-recorded. A slot on stage would enable presentation to a wide audience. ELM suggested that using and displaying QR codes could be used to drive participants to the stand and attract attention. Council agreed that a public relations plan should be put in place.

Action	Operational	Public relations plan to be created for the Snow Show	JG		Oct-22
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8 Holidays and Chalet Update

Further details may be found in Annex B.

KE reported that following the launch of holidays earlier in the summer, sales are going well and circa 32% of target passengers booked by the end of August. Bookings for Mountain Tracks holidays have been slower. KE noted that the team are planning to launch Mountain Tracks summer 2023 by end of September 2022.

KE stated that seasonal recruitment to the holidays team had been a challenge. Intelligence from the industry indicates that other companies are finding similar challenges.

KE further stated that good progress is being made in setting up a French branch for the Club. It is opportune that the two-chalet staff already have residency permits.

9 Members' events

Members' evening

Council agreed that the online event should follow the existing pattern of online events, and staff should be planning this. Council also agreed that it would be helpful if announcements about the return to resorts could be made.

End of summer members' party

JG reported that a central London venue has been booked and that all staff planned to attend. Council discussed funding the first drink or buying a few bottles of wine/beer. As TCD may not be able to attend, AM agreed to offer a welcome and introductory speech.

Ski with Chemmy Alcott

JG reported that skiing with Chemmy and members of her coaching team was very successful. The wide geographical locations were helpful too.

JG further stated that discussions are currently underway with Warren Smith to offer instruction days.

10 Defunding of GB Alpine World Cup Squad by UK Sport

Council noted that national UK funding of the GB Ski Team had been withdrawn. This information had been shared across social media by the Club. Council discussed what else could be done.

11 General Manager's Report

JG intimated to Council that a long serving member of staff had offered her resignation. Council noted that recruitment of a replacement was likely to be challenging and encouraged JG and the team to consider creative options such as using freelancers.

JG reported that the new partnership scheme was proving popular and a couple of big names within the industry had signed up.

12 Any other business

AM reported that plans are being developed to recognise the other awards recipients.

The meeting closed at 1945.

Where the minutes contain commercially sensitive or personal information, the relevant extract will not be included in the published online record and will be marked as redacted.

Annex A

July 2022 Membership Review

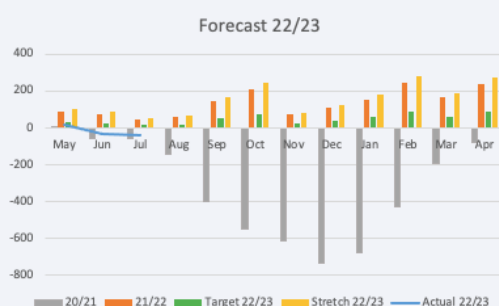
Membership Type	Membership Households (Jul 2022)	Membership Households (Jul 2021)	% Variance
Standard	9125	9406	-3%
Platinum	2456	856	187%
TOTAL	11581	10262	13%

Membership Type	Members (Jul 2022)	Members (Jul 2021)	% Variance
Standard	13476	14556	-7%
Platinum	4091	1602	155%
TOTAL	17567	16158	9%

Average Household Membership – 1.5 pax

Membership Forecast

Net Gain / Loss	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Totals
20/21	8	-60	-59	-142	-396	-546	-612	-737	-677	-429	-193	-76	-3919
21/22	87	74	46	57	144	213	72	108	156	245	164	236	1602
Target 22/23	32	27	17	21	52	77	26	39	57	89	60	86	582
Stretch 22/23	100	85	53	66	166	245	83	124	179	282	189	272	1843
Actual 22/23	16	-31	-37										-52
Total Memberships	11649	11618	11581										
Forecast	11649	11618	11581	11602	11654	11731	11758	11797	11853	11942	12002	12088	



2021/22 – 11633

5% Target – 12215

15% Stretch - 13476

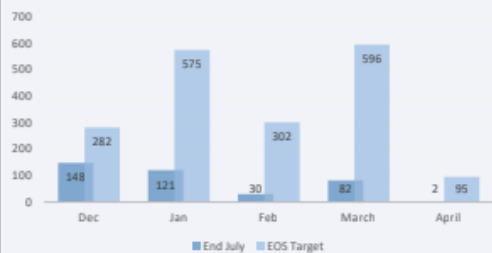
Annex B

Freshtracks Sales Update

Figures as of 31/07/22

Target Passengers	Current Passengers	Target Revenue	Current Revenue
1850	383 (21%)	£3,025,000	£634,093 (21%)

BOOKINGS BY DEPARTURE MONTH



REVENUE BY DEPARTURE MONTH



Mountain Tracks Sales Update

Figures as of 31/07/22

Target Passengers	Current Passengers	Target Revenue	Current Revenue
296	21(7.09%)	£364,000	£34,020 (9%)

BOOKINGS BY DEPARTURE MONTH



REVENUE BY DEPARTURE MONTH

