

SKI CLUB OF GREAT BRITAIN®

Minute of the Meeting of Council held in online via Zoom

26 October 2022 at 1700

In attendance: Trevor Campbell Davis (Chair) (TCD), Stu Bevan (SB), Anthony Harris (TH), Martin Jordan (MJ), Ed Killwick (EK), Jean Lovett (JL), Angus Maciver (AM), Elizabeth Morrison (Secretariat) (ELM), John Simpson (JS), Alison Wareham (AW), Tom Lewthwaite (TL)

Apologies: Walter Macharg (Treasurer) (WM), Katy Ellis (Head of Holidays) (KE),

Observing: 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 online Council meeting for October. He noted apologies, and then introduced and welcomed Tom Lewthwaite (TL) to the meeting as Walter's representative. TCD reported to Council members that Tom is a member of the Finance and Audit Committee and would be attending to support discussions around finance in Walter's absence.

2 Minutes of meeting held on 27 September 2022

The minutes of the Council held on 27th September 2022 were approved and subject to appropriate redactions would 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 Membership Update

OC reported that over the month, lots of new members had joined, but many more had resigned, and consequently overall membership numbers are continuing to decline. Reasons for leaving have included financial concerns, and for the first time not intending to skiing any more. This may reflect the age demographic of membership and an enforced gap from skiing due to the pandemic. Previously Sept and October were major membership renewal months and while this pattern has changed due to the pandemic, it remains a concern.

OC and JG reported that much of the planned marketing activity had not yet started. Staff are sending out emails, but many of the good news messages do not appear to be getting out effectively. The imminent appointment of a new member of staff with responsibility for social engagement may help address some of this.

Council noted that staff found it challenging to extract data from the current IT system and that the proposed new system should facilitate significantly better data analysis. Staff recognise there is an issue with attrition and lack the data to identify the key reasons in a robust and rigorous manner. More insight is required. The Membership Advisory Group have been unable to complete any in-depth analysis and establish for example if the new joiners were previous members who fell away during COVID-19 times or the ages of people not renewing.

AM reported that any marketing campaigns to increase membership by appealing to new members were the same as marketing campaigns to retain membership.

JG reported to Council that 43 new members had joined at the ski show and that 23,000 follow-up emails being issued by snow show organisers highlight the ski club. The Club had hoped to reach a target of 100 new members. It was noted that show had attracted a mixed age demographic. In response to a question, JG replied that attendance at the show had cost in the region of £10,000.

Following discussion, Council approved the use of up to £30,000 from the contingency budget to kick start a membership marketing campaign. Council recommended that this should start urgently to capture peak renewal months.

Further details may be found in Annex A.

5 Holidays and Chalet Update

AW, as Chair of the Holidays and Chalet Advisory Group, reported that overall holiday sales are slower than anticipated. Due to issues with the payments system the active marketing of holidays had been limited. Fortunately, recent improvements to the website online payment system for deposits and payments have now been made. AW noted that while some holidays and flights had been cancelled, extra holidays had also been added to meet increased demand. Seasonal staff capacity has increased which should allow staff increased time to follow-up queries etc with members and free-up additional time for KE to focus on marketing. JG reported that he was confident that with increased marketing, sales would improve.

In response to a question JG indicated that other tour operators were reporting that bookings are similar to previous years, but numbers are smaller. It appeared that high end luxury holidays are continuing to do well, but that mid-market holidays are struggling. Ski club holidays (which generally include instruction/no single room supplement etc) are similar in price to high end operators, with mid-market accommodation.

Mountain Tracks bookings are also lower than expected. Private group bookings have done well, and AW noted that it had been suggested the Club should focus on building this area up further.

Recruiting staff for the chalet in Flaine is proceeding and the establishment of a French entity is also proceeding well.

Further details may be found in Annex B.

6 IT infrastructure update

TCD introduced the agenda item on the IT infrastructure project by offering his thanks, on behalf of Council and members, to SB and the office staff for all the excellent work they had completed to progress the IT infrastructure project.

TCD reminded Council that the proposal to replace all the website and other systems in the same financial year, rather than over two years, had resulted in a considerable increase to costs within this financial year (from circa £74,000 to £270,000 before any allowed capitalisation to spread costs over future years). TCD noted that SB had attended the most recent meeting of the FAC to discuss the project and financial implications. Council agreed that careful and regular (monthly) monitoring of spend would be required by Council and the Finance and Audit Committee (FAC). This reinforced an earlier action from April 2022.

SB reported that the Website Request for Proposal was issued on the 25th October 2022, with responses due by 11th November 2022. Decisions would be made by 1st December 2022. Council

requested that an implementation project plan for the website proposal was developed as a matter of urgency. SB noted that one draft response had already been received. He anticipated delivery within 20-24 weeks, followed by 8-10 weeks of testing, before the website is operationalised at the end of the ski season (late Spring/early Summer 2023). Council noted that appropriately weighted key selection criteria for the preferred bidder were required in advance of bids being submitted.

JtS reported that he had explored the financial requirements for Sugati and had a demonstration of Fonteva planned. While JtS noted that further training would be required, the interface seemed perfect for the Club needs.

Council asked SB to confirm what support would be required for implementation. JG indicated that he was aware of people who may be available for contract work to support. SB noted that both Sugati and Fonteva had strong implementation track records and that he had already met with key staff.

Subject to some final conditions (as noted above, and within the actions below) Council approved the IT investment and signing of contracts. Work on this should commence immediately.

ACTION	SB to confirm support requirements for IT project implementation	SB		Nov-22
ACTION	Develop detailed website proposal implementation plan	SB	GC	Nov-22
ACTION	Develop contract commitment timetable for IT project	SB	WM/JtS	Nov-22
ACTION	Develop key selection criteria with appropriate weightings	AM	JG	Nov-22

7 Finance

Management Accounts to Sept 2022

In WM's absence, JtS reported the September 2022 accounts. He intimated to Council that the Finance paper had been approved at the October 2022 meeting of the FAC and that WM had chaired this meeting.

Total revenue during September 22 was £128k, increased by 25% (£25k) against the budget of

£103k. Membership revenue was just over budget (+£5k), the commission from sales of insurance to non-members £3.5k and partnership income £27k (budget was nil revenue). Commission and the partnership income are above budget for the year to date.

Gross profit exceeded the budget for the month and year to date, reflecting the fact that all main categories of income are better than budget at this early stage. Partnership income has a significant impact on gross profit as usually no direct costs are apportioned against it.

The contribution profit (after internal allocated direct costs) for September was £13k (budget was for a loss of £8k), the operating loss was £24k (budget £68k loss) and with an unrealised loss of £208k and realised losses of £15k the pre-tax loss was 247k (budget loss £70k).

Club (membership) operation:

- The year-to-date gross profit for the Club was £327k, and contribution profit was £213k, with an operating profit of £121k compared to budget of £93k.

Holiday operation:

- There were no departures in the month. The year-to-date net operating loss is £177k v budget loss of £236k. Losses are expected at this stage of the year as we are reassigning the direct costs of staff, marketing, publishing, IT, and credit card costs to the cost of sales on a reasonable basis between the companies.

Overheads have also been allocated between the two companies according to the use of the services, in the actual and budget figures. In comparison with the previous year, the sharing of common costs will increase the cost of SCWA and reduce the cost of SCGB, with no impact on the consolidated operating profit.

Investments

Our investments were performing quite well until September, when the well-publicised political issues caused further losses. In the month, the unrealised loss on investments was £208k and realised loss was £15k. Year-to-date net losses (realised and unrealised) are £269k, this represents a decline of 6.7% in the total value of investments for the financial year to date.

The net value of investments as of 30 September 22 was £3.455m against £3.671m on 31 August 2022 and £3,702m at 30 April. During the month there were no new investments. There was a disposal of Volkswagen stock: cost of £49.6k, proceeds of £34k which generated a loss of £15k. The year-to-date realised gain is £64k, income £29k and unrealised losses are £323k.

Cashflow and balance sheet

The consolidated bank balance on 30 September 2022 was £808k. The Club continues to forecast to maintain a positive cash balance throughout the financial year without borrowing any additional funds. At this stage the Club does not expect to generate sufficient cash to repay loan facilities before next winter, however the position will be kept under review. The cash forecast model suggests a balance of over £805k in April 2023, so there may be an opportunity for loan repayments by then.

Other balance sheet highlights: The loan from Rathbones is £748k, and the NatWest Bank BBIL loan is £100k payable in 10 years. Liabilities to customers and suppliers are £1.12m, comprising deposits and final balances received from customers towards future holidays (£596k), deferred membership subscription fees (£289k) and other creditors and deposits (£236k).

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

The Club have been advised that the Flaine operation will be subject to VAT and corporation tax in France, and that there is likely to be a liability for the 21/22 season. The Club are progressing to quantify the historic and forward liability with the Club's French accountants.

Council discussed the possible opportunity to capitalise the new website and training as new tangible assets and noted that it was less likely that investment in Sugati and Fonteva would be regarded as tangible assets. Licence fees would need to be written off. JS noted that it would be important for the Club to consider future benefits of the IT infrastructure project when preparing for the annual audit.

Budget Sensitivity Analysis

TCD introduced this item to Council by describing a scenario profit and loss sheet which had been prepared by staff. The scenarios which were prepared ranged from well above budget forecast income to a complete loss of another ski season (worst case scenario). Following close perusal of the figures presented, Council concluded that the Club could financially withstand the worst-case scenario, albeit that it might be challenging. Council noted that the scenarios also provided additional reassurance that the significant investment in the IT infrastructure project should not make a substantial impact on the overall financial position of the Club. Council discussed the number of bookings made on holidays to ensure holiday viability. Some Council members noted their view that if an individual holiday breaks even, it should be supported to go ahead.

Human Resources Advisory Group Feedback

JL, as chair of the Human Resources Advisory Group (HRAG), reported to Council the outcome of the most recent meeting. At this meeting the HRAG approved proposed salary increases for staff. JL noted that the HRAG recommended a different approach was taken to any proposed salary increases in the future. This was approved by Council.

8 Risk Register

ELM introduced an updated and revised risk register which Council discussed. Council noted that it would be useful to consider impact on risk score after mitigations put in place. Council also suggested that it would be helpful to tease out some of the risks and separate themes out further. Risks around the IT infrastructure project should be quantified and included. Council agreed a sub-group with representatives from each of the key areas should be set up to discuss and refine further.

ACTION	Establish sub-group to review and revise risk register, and present to Council in February 2023	ELM	JG	Jan-22
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9 Ski Club reps and review of progress towards return to resorts

OC reported to Council that the process of allocating reps to new resorts had commenced. Reps were keen to be included. Discussions are ongoing with French resorts and St Anton. OC noted that St Anton are likely to be supportive and had requested sight of additional documentation. The work to organise this is likely to be helpful for gaining access to other resorts.

JG relayed to Council his discussions with representatives from the Three Valleys. He believed that they are keen to support, but this has not yet been agreed. Similarly with Les Arcs, discussions had been held, but nothing further agreed.

In response to a question about insurance and liability for reps and the Club, JG noted that he was meeting with Blu Fin imminently.

OC reported that the two training days for reps which had taken place had been positive. One of these had been in person and one online via Zoom. It was noted that the in-person event appeared to have had been more effective, but this needed to be balanced by the considerably greater number of reps who had been able to participate online. Council agreed that reps who do not participate will not be offered any repping slots. A further two Rep training days are planned and around 60 reps are attending the on-snow refresher course.

OC described the discussion reps had around on/off piste policy. It was agreed by Council that the revised policy should apply to all Club members skiing together. Reps should adhere to the policy and encourage members to adhere to the policy but are not expected to enforce it. It was also noted that the current policy for North America would be amended.

Reps will be expected to sign that they have received and understood the new guidelines for reps.

ACTION				
ACTION	Council should receive a copy of the updated and revised documentation for reps	OC		Nov-22
ACTION	Issue revised documentation for reps to on-snow advisory group	OC		Nov-22

10 Members' events

a) End of summer party

This is still to be re-scheduled. A full refund had been agreed and a new venue (White Haus) confirmed.

b) Annual General Meeting

Following discussion, Council agreed that MiVoice should be procured for voting at the AGM. Council also agreed that it a Council meeting should be held in advance of the AGM.

ACTION	Set up MiVoice for voting at AGM	JG		Nov-22
ACTION	Deliver annual report for the AGM, including Chair's report and financial statement	JG		Nov-22
ACTION	Organise Council meeting for before AGM	JG	ELM	Oct-22

11 Avalanche Incident Report

Council discussed a report which had been developed following an avalanche incident in Whistler where members were skiing within bounds off-piste. Council agreed that the report recommendations should apply, and that the specific North American policy should be amended to ensure that members were aware of differences in approach and culture between Europe and North America. This will include the recommendation that members skiing withing bounds and off-piste should carry basic first aid, transceivers, shovels and probes. Council agreed that going forward kit will be available to borrow in North America.

Council also agreed that all Reps in North America should ensure a conversation takes place with

local staff to check understanding of the full area. Council noted the need to ensure that Reps in North America feel fully supported by the Club through visits and regular contact.

Council recommended that office staff guidelines for all activities include the need to assess trauma risk following any incident and that the Club has a duty of care to all volunteers.

Council further agreed that the creation of this report was too slow, and that the HRAG should review processes with a view to improving timescales.

ACTION	Review guidelines for Reps and members skiing in North America, including processes for ensuring regular contact.	OC	JG	Nov-22
ACTION	Review internal processes following any incidents on snow	JG	OC	Nov-22
ACTION	HRAG to review reporting procedures following incidents	JL	JG	Nov-22

12 Trademarks

AH reported progress with registering trademarks in the UK and Europe. He asked that Council should consider any other areas which could/should be trademarked and noted that he would be submitting invoices for the work completed.

TCD, on behalf of Council and Club members offered his grateful thanks to AH for all his work to achieve registration.

13 General Manager's Report

Council agreed that most items had been covered adequately by the agenda.

14 Any other business

ELM noted that she had received a helpful update from KE on the work of the Heritage Advisory Group. It was agreed that a new chair for the Heritage Advisory Group should be sought from the Membership, and the notes from KE circulated to Council.

Strategic	Approach membership and seek nominations for chair of the Heritage Advisory Group	TCD		Nov-22
Operational	Share notes from KE re Heritage work and Advisory Group with Council	ELM		Oct-22

15 Closed Council session

At this juncture, Council moved into a closed session and staff members left the meeting.

TCD introduced an item on Council membership and the role of Council in elections and recommendations. He reminded Council of due process as laid down in the Club articles. He also reminded Council of dates of election of previous members. Council discussed and then approved suggestions.

Council also approved the nomination of WM as Treasurer for another year. And endorsed AM as new Chair.

AM, on behalf of Council and Club members offered thanks for the fantastic role and commitment that TCD has played over the past few years in rescuing the Club and ensuing that the Club is now in a stronger place, both financially and strategically. Council members endorsed the commendation of all the work TCD had led. AM suggest that TCD should remain as per the articles as Club President and focus on celebrating the 120th anniversary of the founding of the Ski Club of Great Britain. Council universally approved this suggestion and offered individual notes of appreciation.

Following discussion, TCD agreed to write a personal letter to Club members in advance of the AGM, detailing recommended changes in Council officer roles, Council membership and co-opted roles.

Strategic	Letter to be issued to all Club members in advance of the AGM, detailing recommended changes in Council officer roles, Council membership and co-opted roles.	TCD		Oct-22
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There being no other business the meeting closed at 2050.

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

September 2022 Membership Review

Membership Type	Membership Households (Sep 2022)	Membership Households (Sep 2021)	% Variance
Standard	8929	9140	-2%
Platinum	2444	1304	87%
TOTAL	11373	10444	9%

Membership Type	Members (Sep 2022)	Members (Sep 2021)	% Variance
Standard	13276	14651	-9%
Platinum	4987	1798	122%
TOTAL	17263	16449	5%

Average Household Membership – 1.5 pax

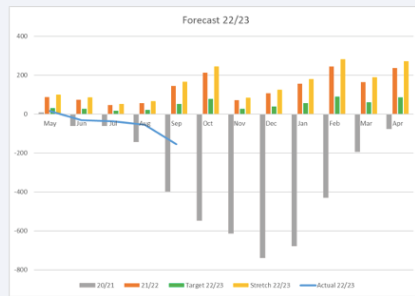
Membership Monthly analysis 2021/2022



Month	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Households	10444	10657	10721	10831	10987	11232	11396	11633	11649	11618	11581	11527	11373
Mth-on-mth gain	125	213	64	110	156	245	164	237	16	-31	-37	-54	-154
Mth-on-mth %	1.21%	2.04%	0.60%	1.03%	1.44%	2.23%	1.46%	2.08%	0.14%	-0.27%	-0.32%	-0.47%	-1.34%

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	-54	-154								-260
Total Memberships	11649	11618	11581	11527	11373	11450	11477	11516	11572	11661	11721	11807	
Forecast	11649	11618	11581	11527	11373	11450	11477	11516	11572	11661	11721	11807	



2021/22 – 11633

5% Target – 12215

15% Stretch - 13476

Annex B

