

SKI CLUB OF GREAT BRITAIN®

Minute of the Meeting of Council held in online via Zoom

14 December 2022 at 1700

In attendance: Angus Maciver (Chair) (AM), Stu Bevan (SB), Rick Krajewski (RK), Martin Jordan (MJ), Jean Lovett (JL), Elizabeth Morrison (Secretariat) (ELM), Evelyn McKinnie (EM), Walter Macharg (Treasurer) (WM), Chris Radford (CR)

Apologies: Trevor Campbell Davis (TCD), Owen Chapman (Head of Memberships) (OC), Katy Ellis (Head of Holidays) (KE), Anthony Harris (TH), Ed Killwick (EK), John Simpson (JS), Alison Wareham (AW)

Observing: James Gambrill (General Manager) (JG), Jitendra Shetty (Finance) (JtS),

AGENDA

1 Chairman's welcome and introductions

AM, in his new role as Chair, welcomed everyone to the meeting. He introduced and welcomed new Directors (RK and CR) and co-opted member (EM) to their first Council meeting.

AM intimated to Council that he had asked JG to reach out to new Council members and set up orientation meetings in the office with himself and Walter and enable new Council members to meet and spend time with staff.

Operational	Meetings to be set up for new Council members with AM, WM, ELM, and staff	JG	RK/EM/CR	Jan-23
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AM reported to Council that the Annual General Meeting had proceeded well and that the Club had received positive feedback from Members.

AM also reported that he had very recently met with around 130 members and reps in Tignes. He acknowledged that the Club is in a much better place than it had been previously, but significant challenges remain to increase membership numbers and decrease the average age of members. Council discussed the need to gain a better understanding of the membership data,

whilst at the same time increasing member value and benefits.

2 Minutes of meeting held on 24 November 2022

Following minor amendments to the Finance section, the minutes of the Council held on 24th November 2022 were approved in principle 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.

Several items were complete, and it was agreed following discussion, that the dates on some other actions should be revised.

OPERATIONAL MATTERS AND REPORTS

4 Membership and Marketing Update

JG, in the absence of OC, reported to Council that overall membership is continuing to decrease. It is positive that new member joins are above forecast, leavers are considerably above forecast. Council noted that it is great to see more members joining, but retaining members is as important. JG reminded Council that a marketing plan is now in place and that a company had been contracted to establish a physical presence in each of the snow centres operating.

JG provided Council with a verbal update on the ongoing reps training and refresher courses. He highlighted that a free lance journalist had joined the reps training course and had provided extremely positive feedback. She will be providing a report for Ski + Board and it is hoped that she will be able to sell her article to a major daily newspaper. It is anticipated that this could generate notable interest in membership.

Council suggested that it would be useful for Council members to learn more about the individual modules within the rep's course. Council noted that while route planning is covered during the course, there is an expectation that Members plan routes, and the rep does not.

Operational	Council requested a presentation about the modules which make up the rep's course.	OC		Jan-23
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MJ, as the new Chair of the On-snow Advisory Group, reported to Council that he had not received a single response to his Facebook post seeking suggestions. Council discussed the purpose of the Advisory Groups and the need to communicate to Members the role of each Advisory Group.

Council discussed the return to resort agenda and noted that while St Anton had declined, reps in other Austrian resorts have support from the local tourist office. Council agreed that it would be useful to refresh the legal advice for France.

Strategic	Investigate the most appropriate approach to refreshing the legal advice for reps in Europe	JL	JG	Feb-23
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Council noted that a few reps highlighted their ski instructor qualification in their website online profile. Council agreed that reps should be instructed to remove this information from their profile.

Operational	Instruct reps to remove any references to ski instructor qualification in their Ski Club website profile	JG		Dec-22
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Further details may be found in Annex A.

5 Holidays and Chalet Updates

In KE's absence, JG reported to Council that holidays are slightly behind target. He noted that changing holiday booking patterns following the pandemic had made it very challenging to predict future travel bookings. JG noted that while a few trips in December had been cancelled, several new holidays are being added later in the season.

JG reminded Council that although the number of passengers is likely to be 5–10% lower than the target, the programme is around a third bigger and overall passenger numbers will be higher. Due to IT issues with online payments, bookings taken in September were lower than anticipated. Resolution of the online payment system is making a notable difference and bookings are increasing significantly.

Flaine Chalet staff now in place and is selling well. JG suggested that the Club should consider increasing the Chalet offering.

Mountain Tracks sales on target. Likely to be fewer passengers than previously. Tailor-made trips are doing well. Following a short discussion, Council agreed that the Holiday Advisory Group should review Mountain Tracks and the possible integration of Freshtracks and Mountain Tracks. The possible integration of Freshtracks and Mountain Tracks may have implications for the IT infrastructure project.

Further details may be found in Annex B.

6 Finance

Management Accounts to November 2022

WM presented the current management accounts to Council. He reported that the total revenue during November was £157k, which was 108k (41%) below the budget of £265k. Most of the shortfall is due to timing differences: more Freshtracks trips were budgeted for than took place in November, and the Reps training was budgeted for in November, and will be accounted for in December. Partnership income continues to run below budget; but is expected to be on budget for the year. Membership revenue is starting to be impacted by the shortfall in numbers and was very slightly below budget in the month.

Gross profit and contribution profit (after internal allocated direct costs) are below budget for the month and year to date; this was due to higher platinum premiums because of the mix of members, plus higher marketing / communication costs, and credit card charges. Part of this is compensated by an underspend on marketing within overheads, such that marketing costs remain under budget in total.

Overheads are continuing to run below budget. For the year to date the operating loss remains better than budget, but for the month the operating loss is worse than budget – this should turn around with the holidays in December. There has been a continued recovery in investment values this month. WM reported that a draft policy on ethical investment had been developed, following comment from Rathbones this would be shared with Council for approval.

Club (membership) operation:

- The YTD gross profit for the Club is £441k, and contribution profit was £267k, with an operating profit of £124k compared to budget of £123k.
- Insurance commission income continues to be ahead of budget.
- Investment values continue to recover. Year-to-date net losses (realised and unrealised) are £165k, a decline of 3.8% in the total value of investments for the financial year to date.
- The forecast for the year has been updated. Projected membership revenue is £52k below budget, gross profit £21k below budget, and projected marketing expenses have increased by £30k following Council agreement to additional expenditure. This gives a forecast operating profit (before investment movements) of £64k, compared to budget of £140k.

Holiday operation:

- The year-to-date net operating loss is £312k v budget loss of £316k.
- The forecast for the financial year has been updated to reflect reduced passenger forecasts. In the updated forecast, the revenue projection for FT is £3,285k (£168k below budget) and contribution profit is £416k (£46k below budget). Forecast operating profit is £156k, £33k below budget.

Other opportunities/issues/risks for the attention of the Council:

- The FAC in October discussed the IT upgrade and noted the progress. Some actions were requested to assure our ability to deliver the new systems on the accelerated timetable, and to check the financial controls. More details are available in the FAC minutes and actions.
- A forecast of the P&L impacts of the IT investment over this year and the next few years has been developed. The following is a summary of the P&L costs. This assumes we capitalise £170k of implementation costs and depreciate over 3 years.
- The budget included contingency of £45k in overheads. £30k of this budget has now been transferred to the marketing budget, following Council agreement to increase spend. It was noted that there will a time lag before membership numbers increase.
- It was noted that ongoing IT running costs after changes to the IT systems will be slightly higher than current costs.

7 Return to Resorts

JG reported to Council that the final draft version of the Rep Documentation had been prepared and was ready to be shared with the Human Resources Advisory Group, On-Snow Advisory Group and Council.

8 IT infrastructure programme

Council formally noted that following exchanges of emails with additional information about timelines, resource, and costs for the IT projects (emails dated 10th and 29th November) the overall IT programme had been approved by Council and contracts with suppliers signed.

Council agreed that it would be important for new Council members to be fully briefed by SB about the programme.

Operational	Meeting to be set up to brief new Council members on the IT infrastructure programme and project integration	SB	RK/EM/CR	Jan-23
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9 Review of Year and Ways of Working

AM introduced this item and highlighted the work of the Advisory Groups. He encouraged Council to consider what was working well and what could be better. He presented a draft flow chart to Council mapping the process and governance.

Council agreed that new initiatives which were in budget and plan should go ahead without further reference to Council. Any items which had allocated budget, but no plan should be referred to the relevant Advisory Group and any items with budget or plan needs further consideration by both the FAC and relevant Advisory Group. As more areas of responsibility are devolved to Advisory Groups, Council's role should therefore be clearer as a decision-making Board. Council noted that the budget was approved before the strategy for the next three years was agreed. Council agreed that in future the strategy should be agreed before the budget is approved.

AM reported to Council that CR had been asked to take over as Chair of the Membership Advisory Group. Council discussed role of the group and frequency of meetings. Council agreed that each Advisory Group should develop clear objectives and key performance indicators. Each Advisory Group meeting should have a clear agenda and minutes of meetings should be shared with Council.

JL suggested that the Human Resources Advisory Group (HRAG) should work with JG and staff to understand better what value could be added. She also suggested that the HRAG should seek to meet quarterly.

Council noted that their expectation was that other Advisory Groups met monthly in line with the cycle for Council meetings. It was agreed that dates for Council meetings until March 2024 should be issued and tentative dates for all Advisory Group meetings should be added to a date planner. Council agreed that transparency and visibility of meeting dates should assist JG and staff to plan their work.

AM suggested to Council that aspects such as Sustainability should have a short life working group (task and finish group). The objective of this group would be to establish what the Club are doing about Sustainability and plan strategy for next steps. AM noted that KE and AW had already made a start on this.

AM noted need for Advisory Groups to oversee, monitor and report (to staff) under-performance within their areas of responsibility.

AM suggested to Council that some (ie not all) future Council meetings could focus on a theme such as marketing, reps and resorts, IT or member services/benefits. JG and AM agreed that the first meeting focusing on a theme should consider marketing, including consideration of the impact of marketing on membership.

Operational	Each Advisory Group to develop Key Performance Indicators	Chairs of Advisory Groups	Advisory Groups	Mar-23
Operational	Dates of Council meetings agreed until March 2024	ELM	AM	Dec-22
Operational	Dates of Advisory Group meetings agreed until March 2024	Chairs of Advisory Groups		Jan-23
Operational	Establish short life working group for Sustainability and report back to Council on strategy	AW	KE	Mar-23
Operational	Chair and GM to consider marketing theme for February Council meeting	JG	AW	Feb-23

Post-meeting note: Each Council meeting could have “Below the Line Papers” on the agenda as a standing item and any minutes for meetings added. Council views on this proposal would be welcomed.

Operational	Establish standing item on Council agenda for "below the line papers".	ELM		Jan-23
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8 General Manager's Report

JG presented a marketing opportunity with Easyjet. The proposal would enable the Club to target, through social media, Easyjet passengers to Milan, Geneva, Zurich, Grenoble and Lyon as an exclusive UK ski partner. The campaign would cost in the region of £20K for a reach of approx. 525,000 passengers. As this spend has not been budgeted for, it could be found from other areas. Council expressed some reservations that it was too late in the season to be of considerable use and concerns about the effectiveness of the skier journey after landing on the Club website. As the website cannot be altered, there is a risk that skiers will become frustrated with it. However, the targeting should increase brand awareness and the opportunity could be used to test ideas and learn, including the return journey.

Council approved the proposal, on the condition that a test and learn matrix is developed to prepare for a similar opportunity next year.

JG reported to Council that members and reps had highlighted they would like to purchase more technical Club branded ski wear than currently offered. Several companies were approached, and the best package was believed to be from Halti, who supply other major ski companies. The current model does not carry a stock holding requirement as supplier stock items are printed to order. For technical gear the Club will have to order stock and then carry the risk that it doesn't sell over a 24 month period. Following discussion Council approved the purchase of 100 male mid-layer jackets and noted the need to seek a quote for 50 similar female jackets. This will serve as a test for whether other technical gear such as jackets should be bought in addition to mid layers.

Operational	Develop a test and learn matrix for the Easyjet marketing opportunity	JG		Jan-23
Operational	Check and share quote for 50 female mid-layer jackets with Council	JG		Jan-23
Operational	Organise the purchase and sale of male club branded jackets to members	JG		Jan-23

10 Any other business

There being no other business the meeting closed at 1935.

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

Membership Type	Membership Households (Nov 2022)	Membership Households (Nov 2021)	% Variance
Standard	8497	8950	-5%
Platinum	2515	1771	42%
TOTAL	11012	10721	3%

Membership Type	Members (Nov 2022)	Members (Nov 2021)	% Variance
Standard	12958	13659	-5%
Platinum	3772	2694	40%
TOTAL	16730	16353	2%

Average Household Membership – 1.5 pax



Join/Loss analysis 2022/23

Joins	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Totals
20/21	12	18	34	17	20	27	89	38	97	26	29	26	433
21/22	161	117	99	123	173	297	260	242	329	374	244	248	2667
Forecast 22/23	98	71	60	75	106	181	159	148	201	228	149	151	1629
Stretch22/23	174	127	107	133	187	322	282	262	357	405	264	269	2890
Actual 22/23	127	102	92	118	63	187	207						896

Losses	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Totals
20/21	92	110	89	142	396	546	612	737	677	429	193	76	4099
21/22	74	43	53	66	29	84	188	134	173	129	80	11	1064
Forecast 22/23	73	42	52	65	29	83	185	132	170	127	79	11	1047
Actual 22/23	111	133	129	172	217	374	381						1517

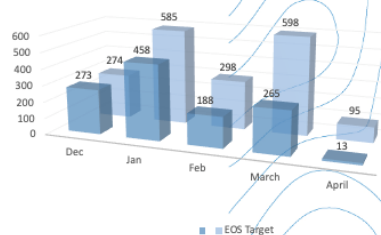
Annex B

Freshtracks Sales Update

Figures as of 1/12/22

Target Passengers	Current Passengers	Target Revenue	Current Revenue
1850	1197 (65%)	£3,025,000	£2,016,776 (67%)

BOOKINGS BY DEPARTURE MONTH



REVENUE BY DEPARTURE MONTH

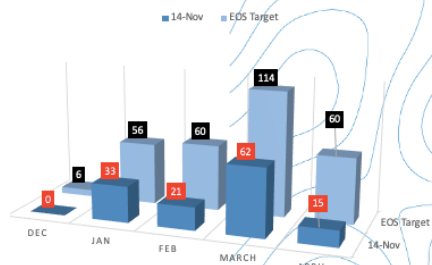


Mountain Tracks Sales Update

Figures as of 30/11/22

Target Passengers	Current Passengers	Target Revenue	Current Revenue
296	131 (44%)	£364,000	£197,776 (54%)

BOOKINGS BY DEPARTURE MONTH



REVENUE BY DEPARTURE MONTH

