

# **SKI CLUB OF GREAT BRITAIN®**

## **Minute of the Meeting of Council held via Zoom on the 27<sup>th</sup> June 2024**

**In attendance:** Angus Maciver (Chair) (AM), Elizabeth Morrison (Secretariat) (ELM), Walter Macharg (Treasurer) (WM), Trevor Campbell Davis (TCD), Cris Baldwin (CB), Kenny MacAllister (KMacA), Rick Krajewski (RK) David Jenkins (DJ), Jean Lovett (JL) Evelyn McKinnie (EM), Stu Bevan (SB)

Apologies: Chris Radford (CR), Pete Davies (Marketing Manager) (PD)

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

### **1 Chairman's welcome and introductions**

AM welcomed all Council members to the online meeting.

He mentioned the successful in-person reps training day which had been attended in person by over fifty reps and the member's party for over 100 members.

He offered apologies for the need to move some meetings, most recently the Finance and Audit Committee (FAC) which had clashed with Listex Lux. Moving the FAC meeting had enabled JG, WM and AM to attend the evening event and meet with media and representatives of the ski industry. He hoped that as a result articles would be written for The Telegraph, Metro and Independent. AM highlighted the highly successful outcome following an article about the Mountain Safety course which had resulted in a massive increase in applications.

AM noted priorities for discussion at the meeting:

- Budget for 2023/2024
- Proposed budget for 2024/2025
- Information Technology (IT) finances
- Proposals for
  - new affiliates manager post;
  - member App; and
  - web shop

### **2 Minutes of the meeting and strategy day held on 4<sup>th</sup> June 2024**

Following agreement on minor amendments to the draft minutes and appropriate redactions Council approved publication of the minutes.

### **3 Matters arising and agreed actions from previous meeting**

Please see the Action Tracker for more information.

### **4 Finance Update**

WM reported to Council that the end of year management accounts was draft, with a year-end review of all balances underway. The external audit has started. He proposed that the final accounts for 2023/2024 would be presented at the July 2024 Council meeting. TCD reminded Council of the need to file full accounts.

The draft operating loss for the year is circa £60k. This has increased from the first draft loss reported to FAC due to:

- 1) Bonus provision of circa £20k
- 2) Further costs for Reps of £28k, missed in the previous forecast.

Council discussed elements of weakness in the monitoring of the reps' budgets and improvements which will be put into place for 2024/2025.

On these draft figures the operating result in the statutory accounts will be a loss of circa £155k cf last year's profit of £47k.

Investment values were lower in the month following several months of gains and show an overall net profit before tax of £136k for the full year.

At the end of January 2024, the Club was forecasting an operating profit of £69k. The reasons for the deterioration in the forecast over the main trading period of the year were noted last month, and were in summary:

- Lower Holiday margins, mainly due to lower occupancy in the chalets
- Pressures on IT costs.
- Staff travel and accommodation, including the end-of-season ski trip.
- Reps' costs for merchandise, additional rep's expenses and the addition of Val Thorens into the rep programme.
- Professional fees, including the additional work on VAT being done by Alliotts.

Council discussed the actions being taken to improve budget and forecast processes.

The net value of investments on 30 April 24 was £2.83m. During April 2024, Rathbones were instructed to dispose of investments to realise cash of £300k.

The consolidated cash balance on 30 April was £537k, this includes £443k in NatWest plus balances in Money Corp, Stripe, GoCardless and the Equals payment cards, and is after the investment disposals listed above.

A cash forecast prepared as part of the budget suggests that an additional £170k of cash maybe required over the summer. The proposal would be to borrow short-term from Rathbones.

## 5 Draft budget 2024/2025

WM detailed to Council the approach being taken to the proposed budget based on the current strategic priorities as previously agreed by Council. The overall aim being to consolidate and build on all the recent changes and new services, rather than create more new ones.

At the operating profit level, the proposed budget for 2024/2025 shows an operating profit before depreciation in both the Membership and Holidays businesses. A total operating profit £118k and after depreciation a break-even budget. The key assumptions and inputs are as follows:

- Small increase (circa 500) in the number of members.
- Additional post of affiliates manager.
- An increase of £5 in subscription rates from October 2024.
- Any insurance cost changes on 1 January 2025 assumed to be passed wholly onto members.
- Rep numbers based on availability of reps which limits increases.
- Taking account of the cost of the rep's programme per user and per member, assume four new rep resorts added and two dropped.
- Increase in marketing / member communications spend to drive further awareness and conversion.
- Continued IT upgrades to aim to make the most of the new systems and improve member communications, including a potentially improved app.
- An allowance for across-the-board inflationary salary increases.
- Contingency of £50k has been included after operating profit.

WM reported that Council would receive a full version of the proposed budget for approval at the July 2024 meeting of Council.

KMacA suggested that in line with an increase in individual membership of £5, household subscriptions should increase by £10. JG noted that this might discourage family memberships and impact on the reduction in average age of members. WM agreed to model differences over the next couple of years. It was also noted that this should be considered as an action by the membership advisory group and a recommendation to Council should come from them.

Council approved in principle the new affiliates manager post. Council noted that clearly articulated success criteria for the position was essential from the start and that regular monitoring of progress towards success essential. Council also noted that 40 new members per year would be required to offset the total salary costs.

Four new rep resorts should be agreed asap. Council approved the proposed rep's budget.

Council noted that the Freshtracks programme included more opportunities for single room holidays.

Council agreed that the marketing programme should commence sooner than it had in previous years. Council also agreed that Pay Per Click (PPC) should be expanded, including the use of “smart PPC” where Google suggests where money should be spent best. Council approved use of brand tracking software and AOL tools.

Council had a lively discussion around the increased IT costs. It was noted that the initial estimates suggested money would be saved, but so far this has not been realised. SB stressed that Council cannot compare systems which are different.

WM noted that the final version of the proposed budget would include more detailed information including the sub-totals. JG indicated he was confident that all IT costs had now been captured and that several costs this financial year would not be required next year. These costs included consultancy support and training for the new systems.

Council requested more detail around the ongoing costs of IT and the need for a helicopter view of the affordability for a similar size of membership organisation. DJ noted that younger people expect a strong digital presence, and consequently he believed that the Club should be investing more in IT rather than less. Council was reminded by TDC that overspend on IT had led to issues in the past.

WM introduced a proposed change form and noted that a director should be named as the sponsor. He reported that while overall governance had improved, there was scope for further improvement. Council suggested changes to the proforma to clarify expectations of profit/loss. SB indicated he would take on the sponsorship role for the member App and the web shop. Council discussed if the sponsor of the proposed member App should be CR (as an enhanced membership offering), but in his absence no agreement was reached.

Council discussed the proposed web shop. It was agreed that FAC should be asked to review the finances and make a recommendation.

Council discussed, but at this meeting did not approve, the development of a proposed member App. The discussion focused on benefits for members, benefits for the company developing the App, purpose, who would manage, how the App would interact with reps and their training days and build time. There is a need for FAC to understand fully what they are being asked to sign off. Council would re-visit following recommendations from FAC and MAMAG.

Action	Success criteria for affiliates manager post developed with input from new member of staff	JG	CR	Oct-24
Action	FAC and MAMAG to review proposals for new member App and make recommendations to Council	JG	CR/WM	Oct-24

## 6 Membership and Marketing Update

OC reported that following the meeting in April 2024, where it was clear there were errors in the membership numbers being reported at the meeting, considerable work had been done on and it was now clear that previously reported membership numbers had been incorrect. It was noted that revised figures in the post-meeting note are also incorrect.

Council was advised that accuracy with the member numbers go back for some time, and that membership numbers reported at previous Council meetings and the AGM in 2023 were incorrect. It is believed that some of the confusion pertains to inclusion of discretionary members (who do not pay membership fees). Council requested that for future member reports, figures which showed paying members/households and discretionary members should be shown.

Corrected household figures from April 2023 to April 2024, are:

	<b>Apr-23</b>	<b>Apr-24</b>	<b>Var</b>
<b>TOTAL PAID</b>	<b>10269</b>	<b>10273</b>	<b>4</b>
<b>TOTAL DISCRETIONARY</b>	<b>582</b>	<b>374</b>	<b>-208</b>
<b>TOTAL HOUSEHOLDS</b>	<b>10851</b>	<b>10647</b>	<b>-204</b>
 <b>PLATINUM</b>	 <b>2857</b>	 <b>2990</b>	 <b>133</b>
<b>STANDARD</b>	<b>7412</b>	<b>7283</b>	<b>-129</b>

In April 2023, the (inaccurate) figures previously reported to Council were 11025 households and 16568 individual members. This included discretionary memberships. For comparison, figures for April 2022 were 11633 households and 18505 individual memberships.

This represents an increase of four paid households from April 2023 to April 2024 and an overall loss of 204 households.

At the meeting, OC provided correct figures for the end of May 2024. These are as follows:

- 10292 household paid members
- 15612 individual paid members
- 15986 individual members including 374 non-paying discretionary members

Please see Annex for further details.

## 7 Holiday and Chalet Update

KE advised Council that the Freshtracks holiday brochure is almost complete, and holidays would go on sale on 18<sup>th</sup>/19<sup>th</sup> July 2024. Overall prices have gone up circa 7%, and the average price is now just under £1900. The price range is from circa £900 to £4000. As prices have gone up everywhere, this continues to represent good value for members. There is a risk that bookings may decrease, the team will be monitoring and if required taking mitigating action where possible. An end of season team take-over in Tignes will be selling at £999 (excluding flights and any instruction).

In response to a question, KE detailed changes to the time commitment for the chalets.

## 8 Any Other Business

KMacA suggested that the Club should contact the authorities in Zermat and express the Club's sympathy and concern at the recent significant flooding which had caused havoc and distress to local inhabitants. Council agreed. OC to action.

TCD noted that a rededication to memorialise early British mountaineers was taking place in Chamonix in early July 2024.

Action	email local contacts in Zermatt, to express sympathy and concern	OC	KMacA	Jul-24
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## 9 Council Closed Session

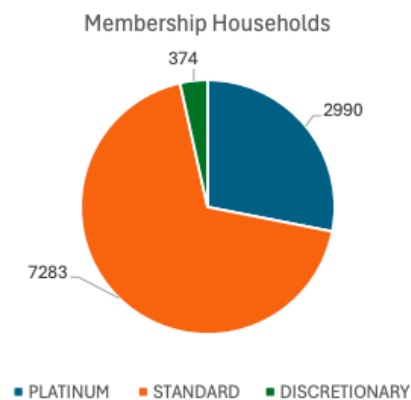
*[Redacted]*

## Annex

	October	November	December	January	February	March	April
TOTAL HOUSEHOLDS	10419	10436	10514	10608	10551	10615	10647
TOTAL MEMBERS	15629	15654	15771	15912	15827	15919	15973
JOINS (HOUSEHOLDS)		288	329	517	274	194	43
LAPSED (HOUSEHOLDS)		271	251	423	331	130	11
NET		17	78	94	-57	64	32

### ATTRITION 16%

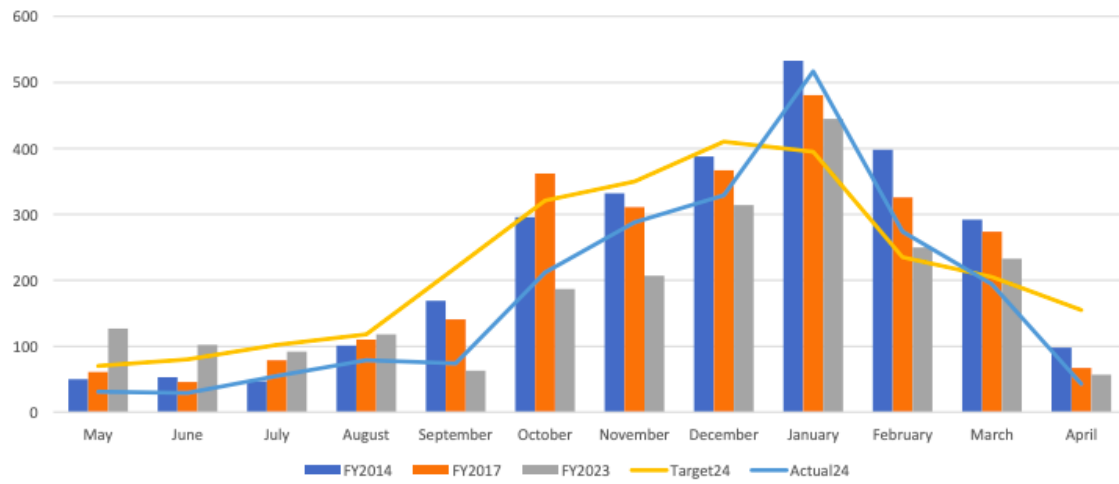
\*Attrition is calculated over the above 6 months using the data available from Summit and calculating who is still a member now



Platinum membership has seen a small growth over the year, whilst Standard membership has remained stable,

	Apr-23	Apr-24	Var
TOTAL PAID	10269	10273	4
TOTAL DISCRETIONARY	582	374	-208
TOTAL HOUSEHOLDS	10851	10647	-204
PLATINUM	2857	2990	133
STANDARD	7412	7283	-129

## Joins



	May	June	July	August	September	October	November	December	January	February	March	April	Total
FY2014	50	53	47	101	169	296	332	388	533	398	292	98	2757
FY2017	61	46	79	110	141	362	311	367	481	326	274	67	2625
FY2023	127	102	92	118	63	187	207	314	445	250	233	57	2195
Target24	70	80	102	118	219	321	350	410	395	235	205	155	2660
Actual24	31	29	55	79	74	212	288	329	517	274	194	43	2125