

# **SKI CLUB OF GREAT BRITAIN®**

## **Minute of the Meeting of Council held via Zoom on the 30<sup>th</sup> of July 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) (part), Evelyn McKinnie (EM), Chris Radford (CR)

**Apologies:** Stu Bevan (SB), Jean Lovett (JL), (PD), Owen Chapman (Head of Memberships)

**Observing:** James Gambrill (General Manager) (JG) Katy Ellis (Head of Holidays) (KE), Jitendra Shetty (Finance) (JtS), Pete Davies (Marketing Manager)

### **1 Closed Session of Council**

*[Redacted]*

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

AM welcomed all Council and staff members to the online meeting.

AM noted that the key decision for Council at the meeting was approving the final budget for 2024/2025. He reminded Council members that the final version of the budget had already been approved by FAC. He noted the significant swing in the finances over the later part of the year and expressed a desire to learn from the past year.

AM noted the imperative need to grow membership. A consultant for Salesforce had recently reviewed all the membership numbers and confirmed they were in line with the previous data from the previous membership system.

AM reported holiday sales had started very well and that a very successful Heritage Advisory Group meeting had been held which had resulted in an interview between the secretary of the Heritage Advisory Group and the journalist, Simon Calder.

He also highlighted the need to start the AGM process.

### **3 Minutes of the meeting held on 27th June 2024**

Following the addition of a further action to the draft minutes and once appropriate redactions were made Council approved publication of the minutes.

Operational	Develop a list of IT changes to be made, including prioritisation of activities.	JG	SB	Aug-24
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## 2 Matters arising and agreed actions from previous meeting

Please see the Action Tracker for more information.

## 3 Finance Update

WM reported to Council that external audit was complete and had gone well, with no new control weaknesses noted by the auditors in their management report.

However the audit had identified an error in the bringing forward of last year's prior year adjustment, which meant that we had been over-stating income for 23/24 by £54k - effectively deferred member income from 2022/2023 been reported as income again. This was an accounting correction only, with no impact on cash or on next year's budget. There were also accounting corrections which had been identified by the Finance Manager. The net effect was that the operating loss for the year is £138k, increased from £60k in the previous draft report. The accounting adjustments were the reason for the higher loss in the month of April.

The operating result in the statutory accounts will be a loss of £234k, (last year's profit was £47,538) this includes the 120<sup>th</sup> costs, prior year lease costs and depreciation.

Investment values show an overall net gain for the year to date which leaves the profit before tax in a positive position of £58k.

At the end of January, we were forecasting an operating profit of £69k. The reasons for the deterioration in the forecast over the main trading period of the year were noted in this report and were in summary:

- Lower Holiday margins mainly due to lower occupancy in the chalets.
- Pressures on IT costs, partly due to the reclassification of all IT spending into the IT budget.
- Staff travel and accommodation including the end-of-season ski trip.
- Reps costs for merchandise, additional reps expenses and the additional of Val Thorens.
- Professional fees including the work being done by Alliotts.
- Prior year adjustments, duplicate receipts etc.

Comparing to budget, the planned operating profit for the year was £149k, including £50k of cost contingency. The outturn operating loss was £138k, a total negative variance of £337k. The Club's income increased significantly over last year, but not

by as much as planned. Costs were over budget in some areas, as detailed in the tabled Finance Report for April 2024.

The result of this is that an operating profit of £58k in 2022/2023 becomes an operating loss of £138k in 2023/2024.

Council noted that the Club had allowed some cost over-spends, some of which were approved in advance, others which were not forecast and should have been. Along with a greater understanding of the cost base, a new finance system should reduce weaknesses. The Club will need to be more careful about spending and any additional spends will need to be balanced better by savings elsewhere.

Council agreed that a check step by FAC will need to be in place for October and that consideration should be given to what can be stopped if required. Also, what can be added should conditions be more favourable.

Council was reminded that the Club maintained considerable reserves of members' money. A proposal for the use of some of this money was an outstanding action from the strategy day in June. Council was also reminded that the Club had drawn down £300k from the investment fund to fund losses and IT investments.

#### **4 Budget 2024/2025**

WM introduced the budget for 2024/2025 and commended the plan to Council.

The budget is based on the current strategic priorities as previously agreed by Council. The overall aim for this year is to consolidate and build on all the recent changes and new services rather than create more new ones.

WM directed Council to the executive summary in the tabled paper. The budget delivered:

- Modest growth of c. 600 in total member households by April 2025
- Continued strong growth in advertising and partnership income
- Organic growth in holiday turnover and maintained holiday margins, maintained operating profit in holidays
- In the membership business, improved margins and an operating profit, reversing the operating loss in 2023/2024
- Costs held to current levels are far as possible: no major changes to the cost base, but inflation and higher volumes have an impact

WM noted the risks of a worse financial out-turn and directed Council to the budget flex scenarios. Reduced member numbers were a risk to long term results. In the short term, shortfalls in partnership income, holiday income and margins, could have a significant impact.

Projections for a further two years, suggested that the Club could project reasonable growth in profits and cash flow in the medium term. This depended critically on continued modest growth in member numbers, and control of cost inflation.

It was discussed that there needed to be firm control and corrective action where costs were forecast to exceed budget, and the ability to cut costs if income fell short of budget. A check point on income and cost forecasts, in particular member and holiday income, was required in the autumn.

Council discussed the level of operating profit which the Club should be aiming for, in view of the Club being a not-for-profit organisation. Was this around £300k, £100k or should the Club be building the use of reserves into the plan?

At the operating profit level, the final budget for 2025 shows a forecast operating profit, before depreciation in both the membership and holidays businesses. Total operating profit £88k, and after deprecation and contingency £21k.

Council noted that growing membership remains the biggest challenge for the Club.

Council approved the plan, assuming a stop check in October and sufficient understanding of the quantum of risk.

## **5 Membership and Marketing Update**

JG introduced the items on membership and marketing. He reminded Council that changes in membership were not significant in June (or the summer months). He explained that Salesforce reviewed membership numbers in a different way, by considering subscriptions. A member could be a loss and a join by changing from Platinum membership to standard and visa versa. As a result, he was expecting to see both higher joins and higher losses.

A consultant with expertise in Salesforce has been contracted to review all the figures and confirm they are accurate. JG reported that he anticipated sharing more membership data with Council by the end of September 2024.

PD reported that the website over the summer had had less traffic when compared to winter, and that a comprehensive plan was in place for the forthcoming season. He highlighted the international focus and reach. He also mentioned promoting (new) holidays, rep resorts and (new) under 35 memberships. Council expressed a desire to see the plan.

PD noted that a new Affiliates Manager (Eve McCartney-Samples) had been appointed and would be reaching out to other relevant databases and tourist boards. He reported that the rep content over the past season was excellent, and there was scope to extend this further. This would be a focus of the rep training days in the autumn.

WM mentioned that Club would be a sponsor at LISTEX in October 2024 and would be sponsoring the industry drinks party for LISTEX/Snow Show. The Club will be partners for the new Mountain Exploration Zone at the Snow Show, where Bruce Goodlad will be a keynote speaker.

Council noted there was a need to track activities to results and complete a return on investment impact analysis.

AM queried what members and others could opt in to/out of regarding emails and sharing of data. He requested that a complete list be shared with Council.

Operational	Provide complete list of members opt in/out re data sharing and emails etc.	JG	AM	Aug-24
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Please see Annex for further details of membership numbers.

## **6 Holiday and Chalet Update**

KE reported to Council that there had been an exceptionally good start to the sale of Freshtracks holidays and that a couple of holidays had already sold out. In response to a question, she responded that most of the passengers were almost all Freshtrack holiday regulars with a couple of new members.

She thought the strong start had been a direct result of the emails which had been issued in advance. She also commented that around 15% of all bookings to date were members who were already on a waiting list.

Council noted that the media had been alerted to the launch of the holiday sales, it was agreed that it would also be appropriate to send a hard copy of the brochure to journalists.

The reps' course which is being included in the holiday programme for 2024/2025 has 22 confirmed places and several interviews still to proceed.

Sales of chalet holidays had also proceeded well.

## **7 [Redacted]**

## **8 Chief Operating Officer Report**

Following a very brief discussion the web shop was approved.

Council discussed the proposed Community (Alto) App. It was agreed in his absence, that SB should be the accountable Director. An expert in IT project

management, previously known to the Chair, had been engaged to manage the project. This had increased the proposed cost from £56K by circa £10k to £66k. Council agreed the delegation of contract and agreement approval to WM, AM and JG.

The current ongoing yearly cost for the Alto App is £30k, this will be increased by £5k to £35k to support the new features. Retiring the current Honeycomb app will save around £10k per year, so the net annual saving on (total) member App expenditure will be in the region of £5k.

JG informed Council that it was unlikely that the Community (Alto) App would be available in time for the autumn rep training, and that OC had identified several reps to road-test the App. DJ stressed that the App could not go-live until it was working effectively for reps, members and Club.

JG also informed Council that the Club would own the rights to the development work, but not the core functionality which would remain with Alto. EM asked for further information about the ownership of the intellectual property (IP) and if others would/could have access to the code. She stressed the need to understand fully the project manager's role.

Council discussed if the new IT project manager would be acting as the control point, and stressed the need to ensure GDPR compliance, development of a full understanding of what the Club will own/not own and what the licence will cover/not cover.

Taking these comments and financials into account, Council approved.

## **9 Any Other Business**

AM reminded Council of the Club articles which require the rotation of a quarter of Council members (excluding office bearers) each year. As there are currently seven Council members (plus officer bearers), at least one member will be required to retire leaving a vacancy. There is also an opportunity for one further vacancy.

As there was no further business the meeting closed at 1940.

*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

	May-24	Jun-24
TOTAL PAID HOUSEHOLDS	10292	10293
TOTAL PAID MEMBERS	15432	15434
TOTAL DISCRETIONARY	374	374
JOINS	36	36
LOSS	17	35
NET	19	1
ATTRITION	5%	18%

