

SKI CLUB OF GREAT BRITAIN®

Minute of the Meeting of Council held in-person meeting and Strategy Day on 4th June 2024 at Canterbury Court, Kennington Park, London.

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

Apologies: Evelyn McKinnie (EM)

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

1 Chairman's welcome and introductions

AM welcomed all to the in-person Council meeting and strategy day.

He thanked JG and staff for the comprehensive papers which had been created for the meeting. He remarked that he hoped the Council meeting would be relatively short to allow time for lots of discussion during the strategy part of the day.

He mentioned the recent Zoom event for members. This had gone well, and members were generally content with the progress being made.

He noted that a Holidays and Chalets Advisory Group had been held recently and that minutes would be issued shortly. He noted that a request for additional members to join would be issued.

2 Minutes of meeting held on 30 April 2024

The minutes were approved. Following appropriate redactions these would now be published.

3 Matters arising and agreed actions from previous meeting

Please see the Action Tracker for more information.

4 Membership Update

OC provided an update on membership numbers and noted he was pleased to report that membership was higher at the end of April 2024 than it had been at the

end of April 2023.

Council noted errors in the figures being reported at the meeting and requested that these were checked and updated figures circulated. Council also requested that in future figures were checked for accuracy before being distributed.

Action	Membership figures presented in June 2024 to be checked for accuracy and re-circulated to Council.	OC	JG	Jun-24
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[Post-meeting note

The figures were checked for accuracy and revised accurate figures are at Annex A.

The final six months of the year ended with a growth of 228 paid Households. This aligned with the increase in marketing efforts and spends, and tracks with typical increases in joins in the earlier winter months.

Membership for the year has remained stable with an overall net loss of 34 Households, however if the discretionary membership tiers are removed there is an overall growth in paid memberships.

10167 Households in April 2023 to 10348 in April 2024

The overall loss was in large due to the switch from Summit to Salesforce when the membership data was cleansed and several discretionary memberships removed, namely from Mountain Tracks.]

5 Marketing Update

The marketing report was shared with Council members. A correlation between marketing activity and an increase in the number of members was highlighted, including reference to a lag of approximately three months between the activity and joining. CR noted the importance of “noise” in the system. Increasing noise if there is more activity and decreasing noise if there is less.

Council was pleased to note that staff intended to optimise the webpages over the summer to increase traction.

6 Finance Update

WM noted that Club was in the process of finalising the end of year results and that draft accounts would be presented to the Finance and Audit Committee shortly. The Club's Auditors had commenced their work. Final accounts for sign off would be presented to Council in July 2024.

While final figures were not available for Council at the meeting, WM noted that the Club was forecasting an operating loss in the region of £60K. The represented a negative variance from the budget of approximately £260K. The main drivers of the variance were: reduced members numbers; partnership income just below a challenging target; lower chalet occupancy; Reps costs; IT costs due to legacy systems and more licences for the new system; travel costs.

The operating loss (after depreciation and 120th costs) in the statutory accounts would be circa £150k, compared to £40k profit last year. After investment gains the statutory accounts would show a profit of circa £130k.

WM further noted that the year of year reconciliation of accounts showed a greater loss than forecast in April 2024. This may be because of a processing error within the reps' team.

WM highlighted other areas where costs had increased such as the cost of continuing to pay for the legacy IT system, Freshtracks operating profit was under budget and the increased costs incurred by staff travel. Overall, the cost base has increased by circa 24%.

WM noted that Rathbones had been asked in May 2024 to liquidate £300K of investments to ensure an appropriate cash balance over the summer period. Council briefly discussed if further cash should be required where this should best come from (including extending the existing cash facility with Rathbones and borrowing from a Bank). It was hoped that additional cash would not be required.

As a result of all the above, Council noted that the Club was likely to face a budget pressure in 2024/2025 and CR suggested that the level of contingency should be increased. TCD noted that over the year there had been a swing in the region of £250K and agreed there was a better understanding of the cost base.

Council discussed the advisability of increasing the number of rep resorts further (with the consequent increase in cost base). OC noted that work was being carried out to understand better what has been spent servicing all the reps and resorts.

7 Funding for a Member of Staff to Participate in the Reps Course

KMacA introduced a proposal from the Reps and Resorts Advisory Group that a permanent member of staff be supported to attend the reps' course. Council

discussed the opportunities and risks that this would afford the Club and staff member. Council agreed that further information regarding costs would be required before a strategic decision to approve could be made as part of the budget proposed for 2024/2025. Council also agreed that once such a decision was made, then management should agree the individual team member who should be supported. KMacA suggested that this would make employment at the Club more attractive.

Action	Costs of supporting a member of staff to attend reps course to be determined.	OC/JG	KMacA/WM	Jun-24
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8 Holidays and Chalets Update

Over the season, KE reported that holiday operations had gone well. Passenger numbers and revenue had increased. Margins on holidays were strong (circa 23/24%). Freshtracks holidays had contributed 200 new members.

KMacA raised a query around reps driving minibuses in resorts as it had been noted that other companies had stopped doing this following Brexit. French law is clear that reps cannot pick members up from airports and/or drop off at transport hubs. Council agreed that the relevant legislation should be reviewed, and an assessment of risk undertaken. It was agreed if there appeared to be any risk, the Club had a duty to alert reps. It was noted that the Club has business insurance for minibuses.

WM raised a query around the chalet strategy. KE reported that the Chamonix chalet had sold well over most of the season. The Flaine chalet which had previously performed very well, had struggled more. Given most costs in chalets are fixed costs, this accounts for the drop in expected margin on the Freshtracks programme. KE noted that next season the use of the chalets would be staggered.

KE reported to Council that the accommodation in Sainte-Foy was under new ownership, and it is likely that the Club will be unable to access in the future. Success with some new trips to Kyrgyzstan and Kazakhstan gave a much-needed boost to the programme with Mountain Tracks exceeding margin targets.

The Freshtracks team are busy planning and contracting for 2024/2025. Brochure design and production is underway in the early stages with an aim to be off to print at the end of June and on holidays sale around the 18 July.

Council commended the work of KE and the holidays team.

More details may be found in Annex B.

Action	Review legislation around driving minibuses in France	KE/JG	KMacA/JL	Sep-24
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9 Fonteva/Salesforce Demonstration

OC provided a helpful demonstration of the new Customer Relationship Management system (Fonteva). He was able to show Council members what the “live” data (held on Salesforce) looked like and potentially what analysis could be done. He described the data cleansing that had been undertaken before the move to Salesforce and agreed that further work was required.

Action	Spring clean of data being held on Salesforce	OC	JG	Sep-24
Action	Develop strategic approach to analysis and interrogation of data in Salesforce	JG	JG	Sep-24
Action	Set up training and development sessions for staff using Salesforce and Fonteva	OC	JG	Sep-24
Action	Set up a data analysis day to review reports	OC	JG	Sep-24

10 Closed Council Session

[Redacted]

11 Any Other Business

There being no other regular business the Council meeting closed at 1310 and Council moved into a strategic discussion for the afternoon.

Strategy Afternoon

1 Chief Operating Officer Review of the Year

JG summarised the Club's position over the past year. He noted the continued need to maintain a focus on increasing memberships. He highlighted that 2500 joins was an ambitious target, but that with a new affiliate manager in post it should be possible.

2 Holidays and Chalets

KE noted the intention to increase the number of passengers by 5% which may lead to a revenue increase of circa 20%. She reported that almost all the contracting for 2024/2025 was finalised and that she thought the Club had good products for new people. She mentioned a plan to have an end of season party like the Premier Party at the start of the season. Probably from the 19th – 26th April and costing around £999 (including accommodation and lift pass). Council noted that following press articles, the rep's course had received 75 applicants. Consequently, interviews are underway.

Council discussed a perception that the Club is targeting a higher price point of skier (ie a wealthier older demographic). Currently most Freshtracks skiers are 55 - 70. KE highlighted the possibility of targeting 45 - 50-year-olds, but did not feel the Club was able to invent a new product for a younger audience. There was a possibility of targeting school holidays which would offer a broader reach as a Club. Single rooms for solo travellers are a powerful selling point. KE highlighted the glossy brochure was a selling point for the current demographic. Council agreed that the product needed to be brought to market as soon as possible.

Council noted that more passengers could create massive changes for the team and Club. Questions were asked about partnering opportunities with some of the big ski companies.

3 Financial Projections

WM tabled a summary of the draft budget for the financial year 24/25, with projections for the following two years. Council was requested to note the key assumptions underlying the budget. He noted that it was easier to grow costs than grow income, and that most options to increase income were being pursued. Accordingly, it was a challenge to control costs to achieve the aim of breaking even at the operating profit level. It was suggested that the cost of membership should be increased slightly (£5).

We were able to model some growth in profits in the subsequent two years, based on reasonably prudent assumptions. A key assumption was that we can achieve modest continued growth in member numbers, to over 13,000 by April 2027. If we don't achieve that we will need to cut costs.

Other key discussions were around:

- Cost of reps where resorts are not supporting through a lift pass and, or accommodation.
- IT costs, including development of a new membership App.
- Post of affiliates manager.
- Need to profile risks appropriately.

WM requested that Council reviewed the Risk Register and noted that a continued review of known risk was an important discipline, and that “unknown unknowns” could always merge, e.g. the recent VAT compliance review, and driving regulations in France.

4 Positioning Strategy

How should this best be executed?

- Current positioning strategy does not mention age – should it?
- Resort and other events
- Reps and resorts
- Need to increase awareness of all Club activities

Council discussed the affiliates and marketing programme:

- Agreed there should budget for marketing should not increase substantially
- Affiliates manager may drive increase in membership more than additional spend costs
- Continue to see slow decrease in average age of members and Households.
- Improving reputation within ski industry

Role of Club reps

- Way reps act to attract new members
- Reps in resorts need to ensure members have an amazing experience skiing.
- Role of reps facilitating social events and skiing.
- Importance of reps as face-to-face point of contact with the Club.
- 120th parties created “noise” in the system which should be continued through a resort party programme.

International membership

- JG highlighted opportunities from selling the IKON pass, and his possible expectation of around 100/150 new international members.
- Council noted that expectations of North American skiers are very different to European skiers and have a different approach to off-piste.
- Insurance offer is not available to international members.

Action	HAG to explore options and product set for families and younger members.	KE	KE/AM	Oct-24
Action	Announce resorts with reps for 2024/2025	OC/PD	JG/KMacA	Jun-24

5 Future of IT

JG highlighted that the major missing area of IT is a dedicated membership App. While Council agreed in principle, they requested more information about costs of developing a dedicated App and noted that unless the App works seamlessly to facilitate meetups, and is linked to Salesforce it will not be used.

Action	Scope out costs, opportunities and risks and make proposal to Council for a new membership App.	JG	SB	Oct-24
Action	Investigate setting up WhatsApp member communities	OC	JG	Sep-24

6 Investments and Reserves

WM tabled a presentation which covered the current value of reserves, the purpose of holding reserves, and suggested values of reserves that might be required to cover risk and to preserve a cash buffer against trading losses. Council discussed the current investment strategy and level of reserves. WM suggested that a prudent minimum of £2 million was required as reserves against risks and losses, which left circa £800K currently which could be used for alternatives.

Council discussed a variety of suggestions including:

- Purchase of an apartment in Flaine
- Purchase of a British Ski Academy
- Sponsorship of Ski Racing/Racers

WM noted that it was important to proceed with prudence, and that a successful coming season should augment our reserves, and would give confidence to consider further leveraging reserves for the benefit of members. Council agreed that any proposals should be fully costed, with strengths, opportunities, risks and weaknesses included.

Strategic action	Develop fully costed proposals for use of investments above £2 million	JG	WM	Oct-24
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7 Reps and Resorts

OC presented what had worked well with the rep service. He highlighted the need to manage resort expansion carefully and ensure continuing support from the resort. He suggested adding five resorts and removing two. Council agreed to expand the rep programme to 30 resorts with all the increase coming from increases in France.

Council discussed why reps had dropped out at late notice over the previous season: injury, illness and expenses were mentioned as reasons.

OC described the interview process for applicants to the rep's course.

Council discussed visibility in resorts for reps and members. Several suggestions were made by Council members, including luggage tags, google covers and stickers. It was further suggested that stickers could be included in Ski + Board.

A proposal to increase travel allowance for reps has still to be approved.

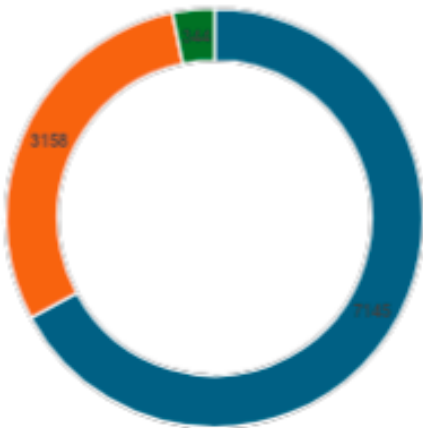
There was a very brief discussion about Autumn training days for reps and the proposed location of these.

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

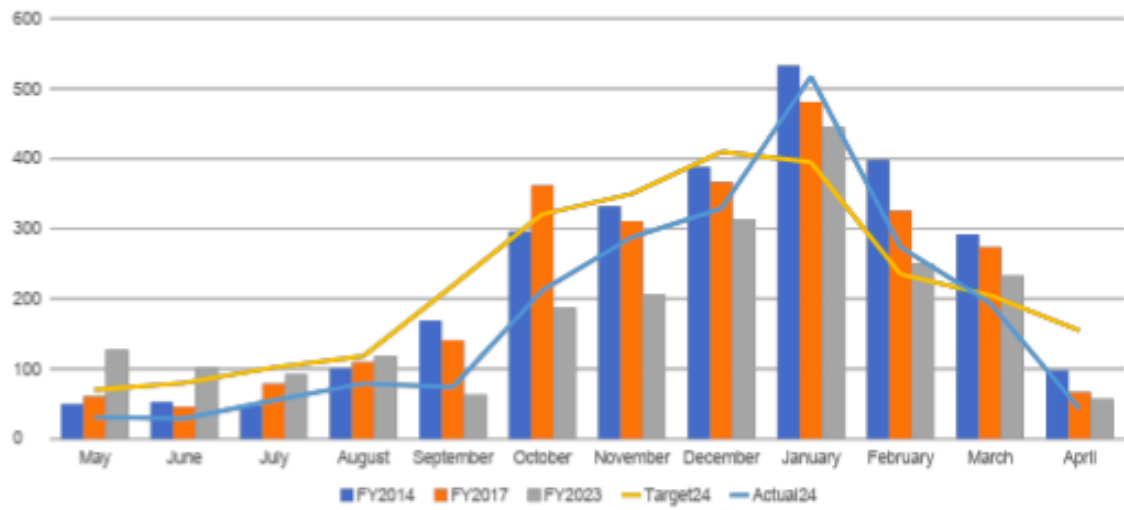
	October	November	December	January	February	March	April
TOTAL HOUSEHOLDS	10419	10436	10514	10608	10551	10615	10647
TOTAL MEMBERS	15629	15654	15771	15912	15827	15919	15973
JOINS (HOUSEHOLDS)		288	329	517	274	194	43
LAPSED (HOUSEHOLDS)		271	251	423	331	130	11
NET		17	78	94	-57	64	32

Membership Households



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

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

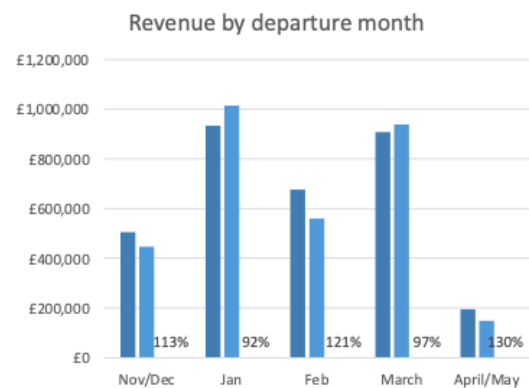
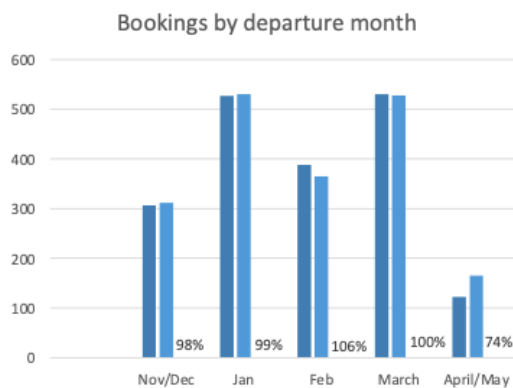
Annex B



Ski Club Freshtracks Sales Update

Figures as of 06/05/24

Target Passengers	Current Passengers	Target Revenue	Current Revenue
1900	1876 (99%)	£3,111,126	£3,217,896 (103%)



Mountain Tracks Sales Update

Figures as of 05/04/24

Target Passengers	Current Passengers	Target Revenue	Current Revenue
325	249 (77%)	£430,247	£422,226 (98%)

